



## NOTICE OF PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE STATE OF ARIZONA CITIZENS CLEAN ELECTIONS COMMISSION

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**Location:** Citizens Clean Elections Commission  
1616 West Adams, Suite 110  
Phoenix, Arizona 85007

**Date:** Thursday, January 31, 2019

**Time:** 9:30 a. m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Commissioners of the Citizens Clean Elections Commission and the general public that the Citizens Clean Elections Commission will hold a regular meeting, which is open to the public on January 31, 2019. This meeting will be held at 9:30 a.m., at the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona 85007. The meeting may be available for live streaming online at [www.livestream.com/cleanelections](http://www.livestream.com/cleanelections). Members of the Citizens Clean Elections Commission will attend either in person or by telephone, video, or internet conferencing.

The Commission may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item listed on the agenda, pursuant to A.R.S. § 38-431.03 (A)(3). The Commission reserves the right at its discretion to address the agenda matters in an order different than outlined below.

**All matters on the agenda may be discussed, considered and are subject to action by the Commission.**

**Possible action on any Matter Under Review (MUR) identified in this agenda may include authorizing or entering into a conciliation agreement with subject of the MUR, in addition to any other actions, such as finding reason to believe a violation has occurred, finding probable cause to believe a violation has occurred, applying penalties, ordering the repayment of monies to the Clean Elections Fund, or terminating a proceeding.**

The agenda for the meeting is as follows:

- I. Call to Order.
- II. Discussion and Possible Action on Commission Minutes for November 8, 2018 meeting.
- III. Discussion and Possible Action on Executive Director's Report and Legislative Report. **Possible Action may include directing staff to take positions on legislation or legal issues discussed in the report. The report is typically available on line or via email request at [ccec@azcleanelections.gov](mailto:ccec@azcleanelections.gov)**
- IV. Discussion and Possible Action on the 2019 Voter Education Plan.

- V. Discussion and Possible Action on 2018 Annual Report.
- VI. Discussion and Possible Action on Final Audit Approval for the following 2018 Primary Election Participating Candidates:
  - A. Mark Manoil, SW, Primary Election Audit
  - B. Kiana Sears, SW, Primary Election Audit
  - C. Matthew Marquez, LD, Primary Election Audit
  - D. Tonya MacBeth, LD, Primary Election Audit
  - E. James O'Connor, SW, Primary Election Audit
  - F. Katherine Hoffman, SW, Primary Election Audit
  - G. Olivia Cajero-Bedford, LD, Primary Election Audit
  - H. David Schapira, SW, Primary Election Audit
  - I. Bill Pierce, SW, Primary Election Audit
  - J. Lori Kilpatrick, LD, Primary Election Audit
  - K. James Love, LD, Primary Election Audit
  - L. Tara Phelps, LD, Primary Election Audit
  - M. Nikki Lee, LD, Primary Election Audit
  - N. Sandra Kenney, SW, Primary Election Audit
  - O. Pablo Correa, LD, Primary Election Audit
  - P. Melinda "Mendy" Gomez, LD, Primary Election Audit
  - Q. Bill Mundell, SW, Primary Election Audit
  - R. Betty Villegas, LD, Primary Election Audit
  - S. John Heep, LD, Primary Election Audit
  - T. David Rothans, LD, Primary Election Audit
  - U. Debbie Manuel, LD, Primary Election Audit
  - V. Talonya Adams, LD, Primary Election Audit
  - W. Bobby Wilson, LD, Primary Election Audit
  - X. Alejandro Larios, LD, Primary Election Audit
  - Y. LaDawn Stuben, LD, Primary Election Audit

- VII. Discussion and Possible Action on Proposed Commission Meeting Dates, February – June 2019.
- VIII. Recognition and Appreciation to Commissioner and Past Chairman, Damien R. Meyer, for his service to the Commission and the State of Arizona.
- IX. Discussion and Possible Action on MUR 18-16, CHISPA PAC.
- X. Discussion and Possible Action on MUR 18-07, One Arizona.
- XI. Discussion and Possible Action on MUR 18-14, US Term Limits.
- XII. Public Comment  
This is the time for consideration of comments and suggestions from the public. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date or responding to criticism
- XIII. Adjournment.  
This agenda is subject to change up to 24 hours prior to the meeting. A copy of the agenda background material provided to the Commission (with the exception of material relating to possible executive sessions) is available for public inspection at the Commission's office, 1616 West Adams, Suite 110, Phoenix, Arizona 85007.

Dated this 29<sup>th</sup> day of January, 2019.

Citizens Clean Elections Commission  
Thomas M. Collins, Executive Director

Any person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Commission at (602) 364-3477. Requests should be made as early as possible to allow time to arrange accommodations.

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THE STATE OF ARIZONA

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CITIZENS CLEAN ELECTIONS COMMISSION

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REPORTER'S TRANSCRIPT OF PUBLIC MEETING

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Phoenix, Arizona

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November 8, 2018

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9:30 a.m.

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## **ITEM II**

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COASH & COASH, INC.

22

Court Reporting, Video & Videoconferencing

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**Coash & Coash, Inc.**

**602-258-1440**

**www.coashandcoash.com**

<p style="text-align: right;">Page 2</p> <p>1 PUBLIC MEETING BEFORE THE CITIZENS CLEAN 2 ELECTIONS COMMISSION convened at 9:30 a.m. on 3 November 8, 2018, at the State of Arizona, Clean 4 Elections Commission, 1616 West Adams, Conference Room, 5 Phoenix, Arizona, in the presence of the following Board 6 members: 7 Mr. Damien R. Meyer, Chairperson 8 Mr. Mark S. Kimble 9 Ms. Amy B. Chan 10 Mr. Steve Titla 11 12 OTHERS PRESENT: 13 Thomas M. Collins, Executive Director 14 Paula Thomas, Executive Officer 15 Gina Roberts, Voter Education Director 16 Mike Becker, Policy Director 17 Alec Shaffer, Web Content Manager 18 Fanessa Salazar, Administrative Assistant 19 Mary O'Grady, AZ Attorney General's Office 20 Joseph LaRue, Assistant Attorney General 21 Rivko Knox, AZ League of Women Voters 22 Christina Borrego, RIESTER 23 Ryan Wheelock, RIESTER 24 Mirja Riester, RIESTER 25</p>	<p style="text-align: right;">Page 4</p> <p>09:31:10-09:32:29</p> <p>1 (Chorus of ayes.) 2 CHAIRMAN MEYER: Any opposition? 3 (No response.) 4 CHAIRMAN MEYER: All right. Motion 5 carries, and the minutes from the September 27 meeting 6 are approved. 7 Agenda Item Number III: Discussion and 8 possible action on executive director's report. 9 Tom? 10 MR. COLLINS: Mr. Chairman, members, I'll 11 be as brief as I can be. As you know, the ballots are 12 still being processed by the counties. We have 13 upcoming this month, in conjunction with our work with 14 the Morris Institute -- with Morrison Institute at ASU 15 on voter crisis issues. State of State is 16 November 19th. Some of you may be attending that. 17 You're all invited. 18 Gina has been made, I think -- what? Two, 19 at least, appearances with the students from the 20 Arizona School for the Arts, which is a Phoenix high 21 school, who -- working on -- who wrote a song and 22 performed a song related to getting people engaged 23 and -- and took their inspiration or collaboration from 24 our 18 in '18 -- 18 in 2018 voter education initiative. 25 Not on the director's report, but just to,</p>
<p>09:30:17-09:31:07</p> <p style="text-align: right;">Page 3</p> <p>1 PROCEEDING 2 3 CHAIRMAN MEYER: Good morning. We are 4 going to call to order the Citizens Clean Elections 5 Commission meeting. It is Thursday, November 8th, 6 2018, at 9:30 a.m. 7 Good morning. We'll move along. The 8 Agenda Item Number II is discussion and possible action 9 on Commission minutes for the September 27, 2018 10 hearing. 11 Any commissioners have any comments or 12 questions on the minutes? 13 (No response.) 14 CHAIRMAN MEYER: Hearing none, if there's a 15 motion to approve. 16 COMMISSIONER CHAN: I would move that we 17 approve the minutes as written, Mr. Chairman. 18 CHAIRMAN MEYER: Okay. Commissioner Chan 19 has made a motion. 20 Is there a second? 21 COMMISSIONER KIMBLE: Second. 22 CHAIRMAN MEYER: All right. We have a 23 motion to approve the minutes. 24 All in favor of approving the minutes of 25 the September 2017 [sic] meeting, aye.</p>	<p>09:32:31-09:34:09</p> <p style="text-align: right;">Page 5</p> <p>1 really quickly, while we're in the subject of Gina. 2 Gina was recognized by the "Arizona Capitol Times" as a 3 breakout political -- political figure in the group of 4 people under 40. There was about 15 people from around 5 the government, and so we're really happy to see that. 6 That's very exciting for everybody here at the 7 Commission. 8 So I don't know. If anyone wants to 9 comment about that, I think that's -- we welcome. 10 We've got some open complaints, one closed 11 complaint, and then the US Term Limits matter which is 12 on the agenda here, we have had to delay on account of 13 a conflict between -- with counsel for US Term Limits. 14 So we won't be doing that on the -- on this agenda. 15 Lastly, I want to get into miscellaneous. 16 We have the state propositions. As we all know, 17 Proposition 306 passed. It amends two provisions of 18 the Clean Elections Act. It provides new 19 responsibilities for the Commission regarding parties 20 and 501 entities in terms of -- in terms of monitoring 21 and understanding their accounting to determine the 22 question of indirect or direct payments by -- of Clean 23 Elections funding by Clean Elections candidates. 24 So we'll be reviewing each section, but as 25 I said, Section 1 requires that examination, and we're</p>

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<p>1 expecting to work with counsel and financial analysts</p> <p>2 to determine what kind of statements may be required to</p> <p>3 determine the accounts and accounting process of</p> <p>4 political parties specifically in Arizona. And that,</p> <p>5 of course, includes not just the state parties but the</p> <p>6 county parties and the legislative district committees,</p> <p>7 as those have become parties since the passage of</p> <p>8 Senate Bill 1516.</p> <p>9 With respect to the issues related to the</p> <p>10 Governor's Regulatory Review Council, which are one</p> <p>11 very small part of the measure, I would refer you to my</p> <p>12 comments to the Arizona MUR and Jeremy Duda respecting</p> <p>13 what I think our position is and has been. The law is</p> <p>14 what it is. The sections of law that we enforce were</p> <p>15 untouched by Prop 306, and that's kind of that.</p> <p>16 You will see the other measures there. I</p> <p>17 think the local proposition of significant issue of</p> <p>18 interest is that Proposition 419 the city of Phoenix</p> <p>19 passed overwhelmingly. This is like the Tempe measure</p> <p>20 from May, a charter amendment that demands more</p> <p>21 disclosure from local spenders in elections. I</p> <p>22 anticipate that, assuming that the charter amendment is</p> <p>23 signed by the governor, like the Tempe measure, there</p> <p>24 will be, at some point, some challenge, either a first</p> <p>25 amendment challenge presumptively -- presumably because</p>		<p>1 all very proud of you and very appreciative of all the</p> <p>2 work you've done this past year. So much deserved.</p> <p>3 Any other comments from other</p> <p>4 commissioners?</p> <p>5 COMMISSIONER CHAN: Mr. Chairman, I just</p> <p>6 wanted to say congratulations, also, and I noticed on</p> <p>7 the list of the people that were recognized in that</p> <p>8 "Arizona Capitol Times" breakouts, she's in very, very</p> <p>9 good company. So I think it is, again, well deserved,</p> <p>10 just as you said, and I continue to be so impressed</p> <p>11 with the staff here at the Commission and the voter</p> <p>12 outreach efforts that Gina has really undertaken. I</p> <p>13 mean, she's made such efforts to really activate and</p> <p>14 engage and energize our program, and I think that we've</p> <p>15 seen the results of that already.</p> <p>16 So I think -- again, congratulations and</p> <p>17 thanks for all the work you do.</p> <p>18 CHAIRMAN MEYER: Okay.</p> <p>19 COMMISSIONER TITLA: Chairman?</p> <p>20 CHAIRMAN MEYER: Oh, go ahead, Commissioner</p> <p>21 Titla.</p> <p>22 COMMISSIONER TITLA: Yeah. I'd like to</p> <p>23 commend the executive director and Gina for their voter</p> <p>24 outreach. Recently I was riding in the mountains of</p> <p>25 eastern Arizona, and this KTNN Navajo Nation radio</p>	
09:35:42-09:37:15	Page 7	09:38:29-09:39:40	Page 9
<p>1 that's just the fact -- that's just an assumption --</p> <p>2 and this notion of whether or not state law and the</p> <p>3 charter law under the home rules provision of the</p> <p>4 Arizona Constitution conflict in this area.</p> <p>5 The Legacy Foundation is still out there.</p> <p>6 We are still working on that. We have a ruling pending</p> <p>7 in the case called Arizona Advocacy Network v. Reagan,</p> <p>8 which we are defendants in. And then, finally,</p> <p>9 we've -- Joseph filed a motion to dismiss on behalf of</p> <p>10 the Commission and me in my official capacity in the</p> <p>11 case that former Secretary Bennett has brought against</p> <p>12 the Commission, the Secretary of State's Office and, I</p> <p>13 believe, some county recorders but not all.</p> <p>14 Anyways, as you all know, he has -- is, I</p> <p>15 guess, efforting to have the qualifying contribution</p> <p>16 slips that were rejected by the counties overruled in</p> <p>17 some kind of way, and we simply think that he's out of</p> <p>18 time no matter how you look at it.</p> <p>19 So that's all the news that I have.</p> <p>20 Obviously, I'm open to questions. And, again, I just</p> <p>21 want to remind everyone -- I mean, I just want to</p> <p>22 re-mention Gina's recognition because it was pretty</p> <p>23 cool. I'm pretty excited about that.</p> <p>24 CHAIRMAN MEYER: Yeah. Congratulations,</p> <p>25 Gina. That's awesome. What a great honor. So we're</p>		<p>1 station -- I can sort of understand that all being</p> <p>2 Apache, but they were talking about Clean Elections out</p> <p>3 there. So the word is out there, and I've heard more</p> <p>4 and more about Clean Elections. So your voter outreach</p> <p>5 is working, Executive Director and Gina. So I commend</p> <p>6 you for your actions and congratulations.</p> <p>7 Thank you.</p> <p>8 CHAIRMAN MEYER: Thank you, Commissioner</p> <p>9 Titla.</p> <p>10 So we'll move on to -- are there any</p> <p>11 questions on the executive director's report from the</p> <p>12 commissioners?</p> <p>13 (No response.)</p> <p>14 CHAIRMAN MEYER: All right. We'll move on</p> <p>15 to Item Number IV on our agenda, which is discussion</p> <p>16 and possible action on Calendar Year 2019 budget and</p> <p>17 related items.</p> <p>18 MR. COLLINS: So, Mr. Chairman, what we did</p> <p>19 this year is, you know, we've had this cover</p> <p>20 memorandum. We decided, in the interest of time, not</p> <p>21 to go through and do the PowerPoint thing that we've</p> <p>22 done in the past. Really the key points here are the</p> <p>23 Commission is obligated every year to calculate what</p> <p>24 its overall expenditure cap is, what the administrative</p> <p>25 and enforcement expenditure cap is, what the public</p>	

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<p>1 education expenditure cap is, which is a term of art in</p> <p>2 the statute, whether or not there's going to be</p> <p>3 candidate funding, and then -- and then to project</p> <p>4 whether or not there's excess funds in the Clean</p> <p>5 Elections -- in the Clean Elections Fund, which is</p> <p>6 itself a statutory calculation.</p> <p>7 So what we've basically done, Mike and I --</p> <p>8 and, really, Mike, actually, has done all the work on</p> <p>9 this. And so if you have actual questions m you can</p> <p>10 ask him, but we've taken the -- we've taken the 2017</p> <p>11 budget as a baseline for the 2019 budget because 2017</p> <p>12 was the last non-election year budget. We are -- so we</p> <p>13 will, you know, make our expenditures on -- some things</p> <p>14 will be lower this year. For example, we won't have</p> <p>15 the candidate statement pamphlet. We won't have the</p> <p>16 debates. We won't have candidate funding. Those are</p> <p>17 the big three.</p> <p>18 The expenditure cap calculation is set</p> <p>19 based on the number of residents times \$7 in the -- I'm</p> <p>20 sorry -- tax returns times \$7. That's the amount the</p> <p>21 Commission is authorized to spend in this year. That</p> <p>22 amount is always greater than the actual amount of</p> <p>23 money in the Clean Elections Fund -- or I shouldn't say</p> <p>24 actual amount of money in the Clean Elections -- about</p> <p>25 the same as the amount of money in the Clean Elections</p>	<p>1 you know, after you -- any questions you have is simply</p> <p>2 to approve the memorandum and attachments that are Item</p> <p>3 4. I think you can do that in whole and -- and that</p> <p>4 will include all of the calculations in the budget for</p> <p>5 next year budge projection.</p> <p>6 One last thing, as far as voter education,</p> <p>7 specifics of voter education going into 20 -- into the</p> <p>8 next election cycle is something that Gina will be</p> <p>9 presenting in January. So we want to have the budget</p> <p>10 authorization for that now, but then the plan -- the</p> <p>11 details of the plan will be something that you can</p> <p>12 consider in January.</p> <p>13 CHAIRMAN MEYER: So, Tom, I realize we have</p> <p>14 these statutory calculations. We have to -- although</p> <p>15 they're skewed or don't give us real numbers, but is</p> <p>16 the -- I'm looking at pages 3 -- 3 through 6 in Item 4.</p> <p>17 MR. COLLINS: Yeah.</p> <p>18 CHAIRMAN MEYER: Is that, kind of, the</p> <p>19 actuals --</p> <p>20 MR. COLLINS: Yes.</p> <p>21 CHAIRMAN MEYER: The actual budget?</p> <p>22 MR. COLLINS: Yes. So what we've done --</p> <p>23 yes. Exactly. So those 2019 projections are what we</p> <p>24 expect to spend. The way that we've done this is we,</p> <p>25 essentially, set forth what the overall line items are.</p>		
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<p>1 Fund.</p> <p>2 So -- and so we're nowhere near that</p> <p>3 expenditure cap, and we've always been comfortably</p> <p>4 within the other caps.</p> <p>5 On the excess funds projection, again, if</p> <p>6 you look at the Commission's expenditure limits versus</p> <p>7 the actual revenue into the fund and the -- and the</p> <p>8 fund balance, it appears as if we have, essentially, a</p> <p>9 deficit of -- I don't know -- projecting out to</p> <p>10 something, like, \$20 million. And that deficit is a</p> <p>11 paper deficit. It's a capacity versus actual issue,</p> <p>12 but since we don't spend to capacity, it's not a</p> <p>13 terribly big deal.</p> <p>14 What is more important to understand is</p> <p>15 that there are -- there are no excess funds in the</p> <p>16 Clean Elections Fund because of -- because of that.</p> <p>17 There simply aren't because the revenues are way below</p> <p>18 what could be potentially expended. Frankly, you</p> <p>19 know -- you know, we've had -- I think we ultimately</p> <p>20 concluded we'll have a small uptake in revenue this</p> <p>21 year, which is -- which may or may not have something</p> <p>22 to do with the issues we resolved with the courts last</p> <p>23 year. It's hard to put a finger on that directly, but</p> <p>24 that's kind of it.</p> <p>25 So what I would ask as far as action goes,</p>	<p>1 The goal is to have those projections -- we've had,</p> <p>2 back here in the past, when we've had unexpected</p> <p>3 expenses, to make adjustments to those. And we,</p> <p>4 obviously, would do that. The 2018 actuals is how much</p> <p>5 we spend through October 1st -- bless you. The actuals</p> <p>6 for the closeout of 2018 won't be available until at</p> <p>7 least, probably, February, March --</p> <p>8 MS. THOMAS: March.</p> <p>9 MR. COLLINS: -- because we'll have -- you</p> <p>10 know, we'll have bills and end-of-the-year stuff.</p> <p>11 CHAIRMAN MEYER: Sure.</p> <p>12 MR. COLLINS: So we -- unless -- I mean, at</p> <p>13 least so long as I've been doing this, we've been doing</p> <p>14 the budget in the year before, either November,</p> <p>15 December, because we need to. We don't have the 20 --</p> <p>16 we never have the years before actuals because it's</p> <p>17 always election year, non-election year, election year,</p> <p>18 non-election year. The actuals aren't necessarily</p> <p>19 going to be telling you as much as --</p> <p>20 CHAIRMAN MEYER: That almost makes sense to</p> <p>21 do an actual with a budget two years apart.</p> <p>22 MR. COLLINS: Right. Right. And that's</p> <p>23 something we could add in in the future as part of the</p> <p>24 presentation is three columns so that everybody has</p> <p>25 that picture.</p>		

09:45:12-09:46:13	Page 14	09:47:19-09:48:46	Page 16
<p>1 CHAIRMAN MEYER: So one question I had is,</p> <p>2 you know, I know -- you know, '18 is an election year,</p> <p>3 obviously.</p> <p>4 MR. COLLINS: Yeah.</p> <p>5 CHAIRMAN MEYER: So I thought the expenses</p> <p>6 might be higher in '18 than the projected expenses are</p> <p>7 in '19, but that's not the case. And it looks like the</p> <p>8 big expense for '19 in the budget is on the public</p> <p>9 education for paid media where we're --</p> <p>10 MR. COLLINS: Right.</p> <p>11 CHAIRMAN MEYER: -- jumping up to 2.1</p> <p>12 million as opposed to 341,000.</p> <p>13 MR. COLLINS: I'm looking at that. Okay.</p> <p>14 CHAIRMAN MEYER: And I just wanted to, kind</p> <p>15 of, understand that.</p> <p>16 MS. ROBERTS: You want me to take that?</p> <p>17 MR. COLLINS: If you could, yes. That will</p> <p>18 be great. Thanks, Gina.</p> <p>19 MS. ROBERTS: Mr. Chairman, Commissioners,</p> <p>20 the 300,000 that you are seeing now for the actuals,</p> <p>21 all of the bulk of the funds that we spend for our</p> <p>22 education plan is on paid media. So that's occurring</p> <p>23 right before the election, the 30 days before the</p> <p>24 election. So that's really where we're paying for the</p> <p>25 TV time, the radio time. So you'll see, as we go</p>	<p>1 Mr. Chairman, Commissioner Kimble, with respect to</p> <p>2 personnel services, we have had significant vacancy</p> <p>3 savings this year. Sara Larson's position wasn't</p> <p>4 filled. And then we will have -- in this quarter,</p> <p>5 we'll have savings -- we have the entire quarter of</p> <p>6 savings, in addition to that, of Stephanie's salary.</p> <p>7 So we have, basically, in terms of personal</p> <p>8 expense -- personnel expenses for this calendar year,</p> <p>9 we are, basically, down to -- well, the people you see</p> <p>10 in this room and Alec, who you can't see in this room.</p> <p>11 And so there's a significant savings there. And so I</p> <p>12 think that going forward, we may fill those positions,</p> <p>13 and then -- so we're missing a quarter plus we have</p> <p>14 vacancy savings. And we're projecting -- and we</p> <p>15 anticipate, I think, filling those positions in the</p> <p>16 coming year.</p> <p>17 With respect to legal services, again, we</p> <p>18 have, generally speaking, been -- projected about 500.</p> <p>19 We've gone back and forth between 500 and even up to</p> <p>20 700 when we've had really intensive litigation.</p> <p>21 Frankly, it's unpredictable. You know, the actuals you</p> <p>22 see there are, again, through this quarter. As</p> <p>23 outlined in the executive director's report, we have at</p> <p>24 least two matters that we have outside counsel that are</p> <p>25 in active litigation. One, the LFAF matter that won't</p>		
09:46:17-09:47:16	Page 15	09:48:49-09:50:27	Page 17
<p>1 through the rest of the year and we get those actuals</p> <p>2 in, we're going to get closer to 1.9 million.</p> <p>3 CHAIRMAN MEYER: So we've got bills coming</p> <p>4 due.</p> <p>5 MS. ROBERTS: We've got bills coming due,</p> <p>6 yes. And then --</p> <p>7 CHAIRMAN MEYER: So that makes sense.</p> <p>8 MS. ROBERTS: And then for the 2 -- around</p> <p>9 the 2 million figure that you see, that's the actual</p> <p>10 cap. We don't ever spend to the cap. It will probably</p> <p>11 be about 1.9 million, again, that we'll actually have</p> <p>12 reserved for our public and voter education plan.</p> <p>13 CHAIRMAN MEYER: Okay. Thank you. I was</p> <p>14 just -- I just saw the disparity in those numbers and</p> <p>15 wanted to understand it. So thank you.</p> <p>16 Any other questions on the budget?</p> <p>17 COMMISSIONER KIMBLE: Mr. Chairman?</p> <p>18 CHAIRMAN MEYER: Commissioner Kimble.</p> <p>19 COMMISSIONER KIMBLE: Tom, also, along the</p> <p>20 same lines, I understand that 2018 totals are only 75</p> <p>21 percent of the total year, but could you talk a little</p> <p>22 bit about -- personnel seems to be going up quite a</p> <p>23 bit, legal services, other professional outside</p> <p>24 services, data processing.</p> <p>25 MR. COLLINS: Sure. I think that --</p>	<p>1 go away, and the second is the AZAN matter that hasn't</p> <p>2 gone away.</p> <p>3 So, you know -- and then we have -- we have</p> <p>4 to anticipate with -- you know, all kinds of changes in</p> <p>5 the way the world works that there will be litigation</p> <p>6 respecting, you know, how Prop 306 gets taken --</p> <p>7 enforced by us, for example. I'm not -- I'm not</p> <p>8 convinced that as we go -- I mean, I am -- it is clear</p> <p>9 that we have new responsibilities over parties and</p> <p>10 501(c)s that we didn't have before. I am not convinced</p> <p>11 that the folks who drafted this realize that they gave</p> <p>12 those responsibilities to us, and I'm not sure how they</p> <p>13 will react when we go about doing what we've always</p> <p>14 done, which is read the law and apply it, for example.</p> <p>15 You know, I also -- as the story in the</p> <p>16 Arizona MUR says, we don't know what the Governor's</p> <p>17 Regulatory Review Council will do. Right now they're</p> <p>18 in the AZAN litigation with us. We don't know where</p> <p>19 that goes. So those are all areas in which we have --</p> <p>20 you know, we just had a lot of unexpected -- or, I</p> <p>21 should say, you know, we have a lot -- we're trying to</p> <p>22 anticipate costs. We're trying to -- we're trying to</p> <p>23 budget ahead of the curve in order that we don't have</p> <p>24 to spend a lot of time coming back to you for more --</p> <p>25 for different approvals in the midst of stuff. So</p>		



09:50:31-09:51:31	Page 18	09:52:55-09:53:40	Page 20
<p>1 that's, kind of, our deal. That's, kind of, what we're</p> <p>2 proposing. So that \$500,000 is consistent with what</p> <p>3 we've done in the past, in past years, both on election</p> <p>4 and off election years.</p> <p>5 CHAIRMAN MEYER: I'm sorry. Maybe I'm</p> <p>6 missing here. So the -- I'm sorry. The professional</p> <p>7 and outside services, that legal service is 86.</p> <p>8 Is there another legal services here that</p> <p>9 is a bigger number that I'm missing?</p> <p>10 MR. COLLINS: Right. So the first line is</p> <p>11 the Attorney General's Office, which is through an</p> <p>12 interagency service agreement which is what brings Joe</p> <p>13 to our meetings today.</p> <p>14 CHAIRMAN MEYER: Okay.</p> <p>15 MR. COLLINS: The second is external legal</p> <p>16 services which are legal services that have been</p> <p>17 authorized by the Attorney General's Office that we pay</p> <p>18 directly to an outside -- an outside legal vendor is</p> <p>19 the second line of the professional outside services</p> <p>20 thing on page 3.</p> <p>21 COMMISSIONER KIMBLE: And the third line,</p> <p>22 other professional outside services?</p> <p>23 MR. COLLINS: That I'm going to have to --</p> <p>24 oh, okay. So -- yeah. That's right. Okay. So</p> <p>25 that -- okay. Sure.</p>	<p>1 than we have in prior calendar years, but we still have</p> <p>2 some thoughts on that. And that will all be coming</p> <p>3 your way in January.</p> <p>4 CHAIRMAN MEYER: Any other comments on the</p> <p>5 budget?</p> <p>6 (No response.)</p> <p>7 CHAIRMAN MEYER: Okay. I will make a</p> <p>8 motion to approve the memorandum attached as Item 4 to</p> <p>9 our meeting materials today and the attachments</p> <p>10 thereto.</p> <p>11 Is there a second?</p> <p>12 COMMISSIONER TITLA: Second.</p> <p>13 CHAIRMAN MEYER: All right. We have a</p> <p>14 motion that's been seconded.</p> <p>15 All in favor say aye.</p> <p>16 (Chorus of ayes.)</p> <p>17 CHAIRMAN MEYER: Any opposition?</p> <p>18 (No response.)</p> <p>19 CHAIRMAN MEYER: Motion carries</p> <p>20 unanimously.</p> <p>21 On to Agenda Item Number V, which I believe</p> <p>22 we're tabling for today, Tom?</p> <p>23 MR. COLLINS: Correct. Yes. We will see</p> <p>24 that in, likely, January. As I think many of you know,</p> <p>25 we are hopeful to avoid a December meeting unless</p>		
09:51:31-09:52:52	Page 19	09:53:46-09:55:10	Page 21
<p>1 MS. THOMAS: Commissioner and Chair,</p> <p>2 that -- for other professionals, we also have -- we</p> <p>3 should just being our auditing services. So we're</p> <p>4 doing all candidates this year. We also have IT</p> <p>5 consultants that's part of that group, our meeting plan</p> <p>6 of Veer. So we're still paying -- since we began those</p> <p>7 services in 2018, they're still going to linger into</p> <p>8 2019. And we do a year round IT consultants. That's</p> <p>9 a -- those are the big groups underneath those other</p> <p>10 professional services.</p> <p>11 CHAIRMAN MEYER: Thank you.</p> <p>12 MR. COLLINS: That's right. And, then, if</p> <p>13 I could just add to what Paula said about Veer and --</p> <p>14 Veer is one of our -- is a state vendor for event</p> <p>15 planning. We've worked with them -- with them now for</p> <p>16 several years. They're integral, frankly, to our</p> <p>17 debates and have also been integral to our roundtable</p> <p>18 that we've done with election officials in off years.</p> <p>19 We haven't concluded fully what we will do as far as</p> <p>20 that goes this year, but we -- that is -- if we do do</p> <p>21 that, it will be something that we -- that we would be,</p> <p>22 as Paula said, relying on them to we do.</p> <p>23 We have some -- some ideas around either</p> <p>24 events and/or other academic work we want to do, which</p> <p>25 we have some different ideas on how to approach that</p>	<p>1 something dramatic were to develop. So that would be</p> <p>2 off until January, and we'll have a number of other</p> <p>3 stuff, other --</p> <p>4 CHAIRMAN MEYER: So Item Number VI,</p> <p>5 discussion and possible action on the 2019 legislative</p> <p>6 agenda.</p> <p>7 MR. COLLINS: Mr. Chairman, Commissioners,</p> <p>8 our legislative agenda is to try to do what we do every</p> <p>9 night.</p> <p>10 COMMISSIONER CHAN: Every night?</p> <p>11 CHAIRMAN MEYER: Literally every night.</p> <p>12 MR. COLLINS: You know, we continue to</p> <p>13 believe that further efforts to defund or eliminate or</p> <p>14 limit the Act are -- and the Commission are</p> <p>15 unnecessary, and we -- you know, we have -- we will</p> <p>16 keep our eye on those things.</p> <p>17 COMMISSIONER CHAN: Mr. Chairman, I was</p> <p>18 going to interrupt Tom just to say that, you know,</p> <p>19 obviously, the memo says what it says as far as, you</p> <p>20 know, similar to what we've always done, which is, you</p> <p>21 know, try to protect and defend the Clean Elections Act</p> <p>22 and the Commission as written. And I saw on Twitter</p> <p>23 that one of the proponents of the yes on 306 campaign</p> <p>24 actually said, you know, they won this one, you know,</p> <p>25 to -- on Prop 306 and they're going to go after, you</p>		

09:55:13-09:56:44	Page 22	09:57:54-09:59:20	Page 24
<p>1 know, public funding of candidates.</p> <p>2 So I think, obviously, we won't see any --</p> <p>3 anything relent in the attempts to either repeal or</p> <p>4 defund or whatever, you know, those proponents of 306</p> <p>5 wish to go for next. So I think I can definitely</p> <p>6 support this legislative agenda.</p> <p>7 CHAIRMAN MEYER: Thank you, Commissioner</p> <p>8 Chan.</p> <p>9 MR. COLLINS: Mr. Chairman, Commissioner</p> <p>10 Chan, I agree. I mean, I think that, you know, in</p> <p>11 general, the Commission has done everything it can</p> <p>12 within its authority to do -- to enforce the Clean</p> <p>13 Elections Act as written and will continue to do that</p> <p>14 when it -- as it is amended. I think that there --</p> <p>15 some of the people who oppose the Act are implacable.</p> <p>16 So our policy efforts are not ones that -- for example,</p> <p>17 are not ones where when we extend a hand to show how we</p> <p>18 are doing things to address purported concerns, there's</p> <p>19 no one on the other side listening at all because this</p> <p>20 is an ideological commitment.</p> <p>21 One of the things I always commend the</p> <p>22 Commission in public for and I'll do here to your faces</p> <p>23 just because I can is putting aside ideological</p> <p>24 commitments and following the letter of the law. The</p> <p>25 law, of course, has its view of what the world looks</p>		<p>1 doing, but we do want to -- you know, we want to set</p> <p>2 our mission, if we can.</p> <p>3 CHAIRMAN MEYER: And in that vain, I</p> <p>4 just -- before we approve it, I just want to emphasize,</p> <p>5 you know, the second agenda item here is the voter</p> <p>6 education and access, and I think I've been consistent</p> <p>7 in my time with the Commission in taking the position</p> <p>8 that that is, you know, absolutely critical and one of</p> <p>9 the best things that we do with the work of staff and</p> <p>10 Gina. And we spend a lot of time on these other issues</p> <p>11 and defending the Act, but the voter education and the</p> <p>12 voter outreach is extremely critical. And we never</p> <p>13 want to lose sight of the importance of that and the</p> <p>14 other things we do.</p> <p>15 So with that being said --</p> <p>16 COMMISSIONER TITLA: Chairman?</p> <p>17 CHAIRMAN MEYER: Go ahead, Commissioner</p> <p>18 Titla.</p> <p>19 COMMISSIONER TITLA: Yeah, I'd like to</p> <p>20 remind the Commission and the public that this Clean --</p> <p>21 Citizens Clean Elections Act is a vote by the people of</p> <p>22 Arizona and not created by the legislature. And in the</p> <p>23 law it says that -- in the findings and declarations --</p> <p>24 I'd like to read this from the law.</p> <p>25 It says that the people of Arizona declare</p>	
09:56:48-09:57:52	Page 23	09:59:23-10:00:28	Page 25
<p>1 like. And so that is going to mean what it means, but</p> <p>2 we have a record of Republicans, Democrats and</p> <p>3 Independents setting aside preexisting ideological</p> <p>4 commitments to enforce the Act.</p> <p>5 Unfortunately, for us, the folks who are</p> <p>6 most interested on this issue at the legislature are</p> <p>7 not in the same position and are not held to the same</p> <p>8 standard. I mean, fortunately or unfortunately, it's</p> <p>9 their -- I guess it's their right to do what they want</p> <p>10 to do. I think it's a waste of their time, but</p> <p>11 nevertheless, yeah, we are -- we are where we are and</p> <p>12 we are where we've been.</p> <p>13 COMMISSIONER KIMBLE: I'll write that down.</p> <p>14 CHAIRMAN MEYER: Thank you, Tom. I</p> <p>15 appreciate that.</p> <p>16 Any other comments from the commissioners</p> <p>17 on the legislative agenda?</p> <p>18 COMMISSIONER CHAN: Do we need a motion if</p> <p>19 there are no more comments to approve it?</p> <p>20 MR. COLLINS: Mr. Chairman, Commissioner</p> <p>21 Chan, that would be -- that would be great. We've</p> <p>22 always asked for your approval of this, and this gives</p> <p>23 us -- you know, and we can come back to you because</p> <p>24 we'll be doing the, you know, monthly updates on bills</p> <p>25 as they come through and all that stuff that we've been</p>		<p>1 our intent to create a Clean Elections system that will</p> <p>2 improve the integrity of the Arizona State government</p> <p>3 by diminishing the influence of special interest money,</p> <p>4 will encourage citizen participation in the political</p> <p>5 process and will promote freedom of speech under the</p> <p>6 U.S. and Arizona Constitutions. Campaigns will become</p> <p>7 more issue oriented and less negative because there</p> <p>8 will be no need to challenge the sources of campaign</p> <p>9 money.</p> <p>10 So we need to fight anybody that tries to</p> <p>11 defeat the law as passed by the citizens of Arizona and</p> <p>12 we need to oppose it to the fullest extent of the law</p> <p>13 in our efforts and will recommend that to the</p> <p>14 Commission.</p> <p>15 Thank you.</p> <p>16 CHAIRMAN MEYER: Thank you, Commissioner</p> <p>17 Titla.</p> <p>18 COMMISSIONER CHAN: Mr. Chairman, I would</p> <p>19 move that we accept the proposed legislative agenda.</p> <p>20 COMMISSIONER KIMBLE: I would second.</p> <p>21 CHAIRMAN MEYER: Accept and adopt?</p> <p>22 COMMISSIONER CHAN: Accept and adopt, yes.</p> <p>23 Thank you.</p> <p>24 CHAIRMAN MEYER: All right. There's been a</p> <p>25 motion to accept and adopt the legislative agenda</p>	

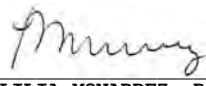
10:00:30-10:01:28	Page 26	10:02:41-10:03:45	Page 28
<p>1 presented to us today.</p> <p>2 All in favor of the motion say aye.</p> <p>3 (Chorus of ayes.)</p> <p>4 CHAIRMAN MEYER: Any opposition?</p> <p>5 (No response.)</p> <p>6 CHAIRMAN MEYER: Motion carries.</p> <p>7 Agenda Item Number VII, which I have mixed</p> <p>8 emotions, discussion and possible action on selection</p> <p>9 of the chairman for 2019.</p> <p>10 MR. COLLINS: So, Mr. Chairman, this is for</p> <p>11 you all to discuss. I have no role in this.</p> <p>12 CHAIRMAN MEYER: Yeah. I mean, I believe</p> <p>13 it's Commissioner Kimble's turn to switch seats.</p> <p>14 COMMISSIONER CHAN: Mr. Chairman, I was</p> <p>15 going to see about nominating Mr. Kimble, if he would</p> <p>16 be willing to accept a term as chairman.</p> <p>17 Would you be willing to serve as chairman,</p> <p>18 Commissioner Kimble?</p> <p>19 COMMISSIONER KIMBLE: Well, I feel like</p> <p>20 this is like asking if someone would take the keys to</p> <p>21 the Titanic if it hit the iceberg, but yes, I would.</p> <p>22 COMMISSIONER CHAN: Hopefully it's not that</p> <p>23 bad.</p> <p>24 COMMISSIONER TITLA: I second the</p> <p>25 nomination.</p>		<p>1 appreciate your service very much, and I think you've</p> <p>2 done an outstanding job, both of you, in leading this</p> <p>3 Commission for the past two years.</p> <p>4 CHAIRMAN MEYER: Thank you.</p> <p>5 COMMISSIONER TITLA: Thank you for your</p> <p>6 comment.</p> <p>7 CHAIRMAN MEYER: And we are in good hands</p> <p>8 moving forward.</p> <p>9 All right. Item Number VIII, public</p> <p>10 comment.</p> <p>11 Ms. Knox, always welcome.</p> <p>12 MS. KNOX: Yes. Thank you all very much.</p> <p>13 I think you all know me. Rivko Knox from the League of</p> <p>14 Women Voters of Arizona. I just managed to spill some</p> <p>15 pink on my white shirt, but that's beside the point.</p> <p>16 But I just wanted to say that the league, of course, as</p> <p>17 you all know, took a position opposing Proposition 306,</p> <p>18 and we did a lot of voter education by putting on -- we</p> <p>19 put out the Voters' Guide, along with the Arizona</p> <p>20 Advocacy Network this year. First time we've done it</p> <p>21 as a group.</p> <p>22 And we spoke at many, many different places</p> <p>23 to different audiences, and although the guide was</p> <p>24 objective, it was -- we said up front where we stood on</p> <p>25 the two ballot measures on which we had a position, but</p>	
10:01:28-10:02:37	Page 27	10:03:49-10:05:05	Page 29
<p>1 CHAIRMAN MEYER: All right. We have a</p> <p>2 motion pending for Commissioner Kimble to assume the</p> <p>3 position of chairperson of this Commission for 2019.</p> <p>4 All in favor say aye.</p> <p>5 (Chorus of ayes.)</p> <p>6 CHAIRMAN MEYER: Any opposition?</p> <p>7 COMMISSIONER KIMBLE: I'm going to abstain.</p> <p>8 CHAIRMAN MEYER: All right. Motion carries</p> <p>9 3 to 0. I note for the record my concern that the new</p> <p>10 chairperson thinks that there were keys for the</p> <p>11 Titanic.</p> <p>12 But, anyway, moving on to item --</p> <p>13 COMMISSIONER CHAN: Mr. Chairman, can I</p> <p>14 just say something? I'm so pleased that Commissioner</p> <p>15 Titla is here and especially because I'm the newest</p> <p>16 member still at the Commission. It's hard to believe</p> <p>17 that it's been over a year since I've been on here and</p> <p>18 that I've gone through two chairmen now, and it's hard</p> <p>19 to believe that your tenure as a chairman is over. So</p> <p>20 thank you so much for what you've both done, and I'm</p> <p>21 looking forward to Commissioner Kimble's tenure as</p> <p>22 chairman.</p> <p>23 COMMISSIONER KIMBLE: I just want to say</p> <p>24 that the two previous chairs have really set a high</p> <p>25 bar, both Chairman Meyer and former Chairman Titla. I</p>		<p>1 in addition to talking about the pros and cons of the</p> <p>2 specific language of Proposition 306, I know I spent</p> <p>3 quite a bit of time just talking to people, when I had</p> <p>4 the opportunity, about what Clean Elections really</p> <p>5 does.</p> <p>6 And I used -- when I would give a</p> <p>7 presentation, I would take out the Voters' Guide and in</p> <p>8 addition to what I was talking about, about the ballot</p> <p>9 measures. We talked about that and mentioned a lot</p> <p>10 about what was on your website and the Compass and the</p> <p>11 Dashboard. And clearly, obviously, we did not educate</p> <p>12 people as well as I hoped we would, but we have</p> <p>13 continued, really, to try to explain to people, as we</p> <p>14 talk, what Clean Elections does well beyond the Clean</p> <p>15 Election funding, which is the voter education part.</p> <p>16 And I'm always surprised how many people,</p> <p>17 even people who are quite knowledgeable and are</p> <p>18 involved with public policy issues, are unaware of the</p> <p>19 tremendous resource that exists in the Clean Elections</p> <p>20 website. Thanks again one more time to Gina Roberts</p> <p>21 and staff and everyone. I just wanted to make that</p> <p>22 point. And thank you all very much, and I'll probably</p> <p>23 be back to the next meeting, whenever it showed --</p> <p>24 whenever it happens. You keep moving them, though. So</p> <p>25 I have a hard time following you guys changing dates.</p>	

10:05:09-10:05:47

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1 Thank you all.  
2 CHAIRMAN MEYER: Ms. Knox, thank you for  
3 your comment and all your efforts regarding the last  
4 election.  
5 Anyone else have a public comment or  
6 comment from my commissioners to Ms. Knox?  
7 (No response.)  
8 CHAIRMAN MEYER: Okay. Last chance? All  
9 right. We are going to -- I'm going to ask for a  
10 motion to adjourn my last meeting in the seat.  
11 COMMISSIONER TITLA: Motion.  
12 CHAIRMAN MEYER: I have a motion to  
13 adjourn.  
14 Second?  
15 COMMISSIONER KIMBLE: Second.  
16 CHAIRMAN MEYER: All right. All in favor  
17 of adjourning the meeting say aye.  
18 (Chorus of ayes.)  
19 CHAIRMAN MEYER: Any opposition?  
20 (No response.)  
21 CHAIRMAN MEYER: All right. Motion  
22 carries.  
23 (Whereupon, the proceedings concluded at  
24 10:05 a.m.)  
25 ///

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1 STATE OF ARIZONA )  
2 COUNTY OF MARICOPA )  
3 BE IT KNOWN the foregoing proceedings were  
4 taken by me; that I was then and there a Certified  
5 Reporter of the State of Arizona, and by virtue thereof  
6 authorized to administer an oath; that the proceedings  
7 were taken down by me in shorthand and thereafter  
8 transcribed into typewriting under my direction; that  
9 the foregoing pages are a full, true, and accurate  
10 transcript of all proceedings and testimony had and  
11 adduced upon the taking of said proceedings, all done to  
12 the best of my skill and ability.  
13 I FURTHER CERTIFY that I am in no way  
14 related to nor employed by any of the parties thereto  
15 nor am I in any way interested in the outcome hereof.  
16 DATED at Phoenix, Arizona, this 9th day of  
17 November, 2018.  
18   
19 \_\_\_\_\_  
20 LILIA MONARREZ, RPR, CR #50699  
21  
22  
23  
24  
25

	<b>Alec (1)</b> 16:10	<b>available (1)</b> 13:6	25:8	<b>COLLINS (23)</b> 4:10;
<b>\$</b>	<b>almost (1)</b> 13:20	<b>avoid (1)</b> 20:25	<b>Campaigns (1)</b> 25:6	9:18;12:17,20,22;13:9,
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<b>6 (1)</b> 12:16				
<b>7</b>				
<p><b>700 (1)</b> 16:20  <b>75 (1)</b> 15:20</p>				
<b>8</b>				
<p><b>86 (1)</b> 18:7  <b>8th (1)</b> 3:5</p>				
<b>9</b>				
<b>9:30 (1)</b> 3:6				

**CITIZENS CLEAN ELECTIONS COMMISSION  
EXECUTIVE DIRECTOR REPORT  
January 31, 2019**

**Announcements:**

- The public can view Commission meetings live via the internet at [www.livestream.com/cleanelections](http://www.livestream.com/cleanelections). A link is available on our website.

**Voter Education:**

- March 12, 2019 Local Elections happening in Maricopa & Navajo County
  - Includes City of Phoenix Mayoral runoff election
  - Voter Registration Deadline = Monday, February 11, 2019
  - Early Voting Begins = Wednesday, February 13, 2019
- Tom and Alec hosted a Facebook Live segment to educate voters about the Commission's Find My Elected Officials tool and how to stay informed about the political process.

**Enforcement – 2018:**

- MUR 18-07- One Arizona- On this agenda.
- MUR 18-14 US Term Limits – On this agenda
- MUR 18-15 Villegas- Closed pursuant to staff authority under R2-20-206.
- MUR 18-16 CHISPA PAC AZ- On this agenda

**Miscellaneous**

- **Legacy Foundation Action Fund**
  - Remains pending judgment. Appeal by Legacy Foundation Anticipated
  - The Superior Court in Maricopa County granted our motion to dismiss LFAF's effort to block our collection suit and denied LFAF's motion to dismiss. LFAF wants to expedite Superior Court resolution for appeal and we are working on that.
- **AZAN v. Reagan et. al.**
  - Order granting Plaintiffs's relief entered, striking portions of SB1516 and clarifying (yet again) the Commission's authority to enforce the Clean Elections Act.
    - Quoting Judge Palmer of the Superior Court in Maricopa County: "Specifically, the Commission was designated by the Act as the sole public officer authorized to initiate an investigation into alleged violations of requirements governing the establishment of a committee, contribution limits, expenditure limits, reporting requirements, and committee termination requirements. By way of contrast, under SB 1516, the Secretary of State is now the filing officer for such issues involving statewide and legislative elections, including retention elections for Supreme Court Justices and Court of Appeals Judges. The result is that the Commission is prohibited from enforcing requirements as defined in Title 16, Chapter 6, Articles 1 – 1.6. This is in complete contravention of

the Act, which requires the Commission to enforce those sections.”

- Final judgment and attorneys fees issues remain pending. Potential for appeal by other parties remains.
- **Bennett v. Reagan et al.**
  - Court ruled for Secretary and Commission. Final judgment pending.
- **Proposition 206**
  - Mike Becker and Tom Collins had a productive meeting with Staff Attorney Chris Klemmich recently. The meeting covered both rulemaking and GRRC’s role, as well as conflicts or potential conflicts between the Clean Elections Act and otherwise applicable administrative law. We will continue working to develop a frame work to recommend. We hope to do that amenably to both the Commission and the Council but it will take some time.
  - We will be scheduling a repeal of the party spending issue that was the second issue in the measure in the next couple of meetings. We have not forgotten it, and, at any rate it is not the law.

**Doug A. Ducey**  
Governor

**Thomas M. Collins**  
Executive Director



**Mark S. Kimble**  
Chair

**Damien R. Meyer**  
**Steve M. Titla**  
**Galen D. Paton**  
**Amy B. Chan**  
Commissioners

**State of Arizona**  
**Citizens Clean Elections Commission**

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Below are the election bills that may impact the Commission.

HCR 2002 – Independent Redistricting Commission; Nine Members  
Sponsor – Rep. Fillmore

- Gives the Citizens Clean Elections Commission (CCEC) the authority to nominate candidates for the Independent Redistricting Commission (IRC)
- If appointment timelines are not met, then the CCEC has the authority to appoint members to the IRC
- Effect on CCEC
  - o Gives the Commission authority that does not exist now to nominate IRC members.

HCR 2004 – Legislature; Sixty House Districts  
Sponsor – Rep. Shope

- Changes the State Senate districts to consist of two entire House districts that are completely in the Senate district
- Increases the number of House districts to 60 with one member representing each House district
- Effect on CCEC
  - o May increase the number of candidates thus increasing the amount of funds that are distributed.

**ITEM III - LEG UPDATE**

## HB 2076 – Clean Elections; Enforcement; Early Contributions

Sponsor – Rep. Fillmore

- Increase early the early contribution limit from legislative candidates from 10% to 15% of the sum of the original primary and general spending limits.
- Allows for early contributions to be spent any time during the election cycle.
- Eliminates the argument of whether or not the Commission has the authority to enforce contribution limits on nonparticipating candidates by expressly authorizing this authority.
- Effect on CCEC
  - Positive effect as it allows for more funds for participating candidates without it coming from the Fund.
  - More staff may be needed to review nonparticipating candidates campaign finance reports.

## HB 2411 – Clean Elections; County Candidates

Sponsor – Rep. Powers-Hanley

- Would allow candidates for County Board of Supervisors, County Assessor, County Attorney, County Recorder, County School Superintendent, County Sheriff, and County Treasurer to use the Clean Elections system.
- Effect on CCEC
  - Would increase the number of candidates as well as the amount of funds distributed possibly reducing the amount of funding candidates could receive.

## HB 2210 – Campaign Finance; Covered Transfers; Disclosure

Sponsor – Rep. Rodriguez

- The bill changes the definition of “Affiliated Entity” to include the governing board as well as staff of the governing board or representatives of the governing board.
- Adds the definition of “Covered Transfer”
- Eliminates the definition of “Primary Purpose”
- Requires entities to register as a political action committee before making a contribution or expenditure, requires entities formed 10-days prior to the start of early voting to file their statement organization within 24-hours.
- Requires an entity that makes or obligates itself to make independent or ballot measure expenditures in excess of \$1000 in any combination to file a report with the filing officer.
- Effect on CCEC
  - Would increase the workload for the staff to ensure entities are following the new law.

## HB 2199 – Primary Election Date

Sponsor – Rep. Carroll

- Would change the primary date to be on the nineteenth Tuesday before the general election.
- Effect on CCEC
  - Would reduce the qualifying period for candidates

## SB 1154– Primary Date; First August Tuesday

Sponsor – Senator Gowan

Assigned to Senate Judiciary

- Would change the primary election day to the first Tuesday in August
- Effect on CCEC
  - Would reduce the qualifying period for candidates

## HB 2050 – May Primary Election Date

Sponsor – Rep. Shope

- Would change the primary election day to the seventeenth Tuesday before the general election
- Effect on CCEC
  - Would reduce the qualifying period

## HB 2410 – Campaign Finance; Contribution Limits

Sponsor – Rep. Powers-Hanley

- Dramatically reduces the contribution limits for candidates at all levels. Individuals may contribute up to \$390 to a candidate for a city, town, county or district office; \$488 to a candidate for a legislative office; \$1,010 to a candidate for a statewide office
- Candidate committees may not accept more than the following from political action committees: \$10,020 for candidates for city, town, county, or district office; \$16,150 for legislative candidates; \$100,110 for statewide candidates
- Effect on CCEC
  - o Minimal. Potentially reduces the difference between what a Clean Elections candidate “raises” and a traditional candidate raises.

## HB 2340– Campaign Finance; repeal; Reenactment

Sponsor – Rep. Salman

- Would repeal the entire campaign finance law that was put in place by SB 1516 in 2016
- Effect on CCEC
  - o The Commission would need to review all of the rules that were enacted based on SB 1516 and possibly repeal them.
  - o Potentially need to enact new rules based on the new campaign finance laws.

## HB 2131 – State Agencies; Citizen Portal; Access

Sponsor – Rep. Thorpe

Assigned to House Technology

- Requires a State Agency that collects personal information from the public to establish a portal where the public can access the information and correct any errors. Access would be limited to only the person’s specific information.
- Effect on CCEC
  - o Unknown effect on the Commission. There isn’t a definition of “personal information” for an agency to know what needs to provide to the public. The Commission only has e-mail address from the public.

# 2018 ANNUAL REPORT



**SPREAD YOUR WINGS.  
ACTIVATE YOUR POLITICAL POWER.**

**C i t i z e n s   C l e a n   E l e c t i o n s   C o m m i s s i o n**



## **ITEM V - 2018 Annual Report**

# **2018 ANNUAL REPORT**

**Presented By The Citizens Clean Elections Commission**

The Annual Report will be submitted to the Governor, the President of the Arizona State Senate and the Speaker of the Arizona State House of Representatives. This report will be made available online at [www.azcleanelections.gov](http://www.azcleanelections.gov).

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January 31, 2019

The Honorable Doug Ducey  
Governor of the State of Arizona  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Ducey:

The Citizens Clean Elections Commission is pleased to submit for your information the 2018 Annual Report, pursuant to Arizona Revised Statutes §16-956(A)(5). The Annual Report describes the activities performed by the Commission in the last calendar year.

In 1998, the voters of Arizona passed the Citizens Clean Elections Act. 20 years later, the Commission continues its commitment of upholding the letter and spirit of the Act. The Commission accomplished its goals set forth and looks forward to the same success in 2019.

Respectfully,

Mark S. Kimble, Chairman  
Citizens Clean Elections Commission



# Voter & Public Education

The Commission continued to provide information to the public regarding Clean Elections participation and the functions and purposes of the Clean Elections Act. This was accomplished through education campaigns throughout the two local elections and the Primary and General Elections, along with grassroots and social media outreach. The Commission consistently provides election information on how, where and when to vote.

The Commission's education and outreach efforts for 2018 included:

- Connections Campaign
- 18 in 2018 Campaign
- Independent Voter Campaign
- Website Re-Design & Voter Dashboard
- CRM Email Notifications
- Candidate Statement Pamphlets
- Candidate Training
- Candidate Debates
- Voter Crisis Report
- Website and Social Media

## **Educating the Voters. Educating the Candidates.**

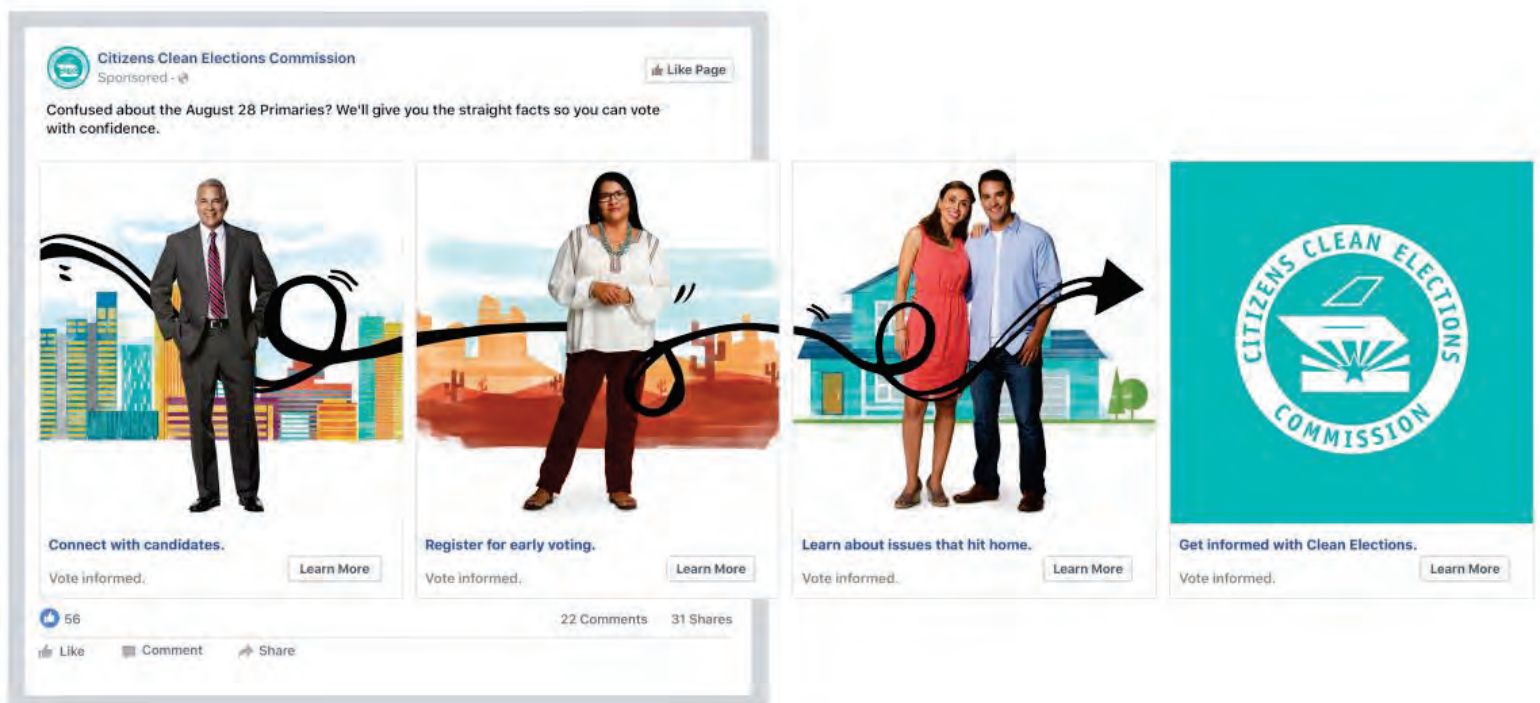
In addition to educating the voters, the Commission strives to educate candidates running for office.

The Commission hosts candidate training workshops that include details about campaign finance reporting and debate participation.

The Commission spends 10% of the expenditure cap on voter education in accordance with its statutory requirements. See page 9 of this report for more financial information.

# Connections Campaign

The emphasis of the 2018 Voter Education Campaign was to connect the voters to the issues and candidates. The goal of the Connections Campaign was to motivate Arizona voters to vote informed in state and local elections by demonstrating the tangible and emotional benefits of casting their ballot. The outreach efforts included social media, television, radio, print, digital and online ads. All of the creative designed for this campaign consistently utilized an arrow to connect voters to the ballot and each other, along with different environments/communities found throughout Arizona.



# 18 in 2018 Campaign

One of the key takeaways from the 2017 Roundtable Event was to meet the youth where they are at, which led to the development of this new campaign. The 18 in 2018 Campaign was a unique way to encourage the younger generation to engage in the political process and increase voter registration among 18-24 year olds. These efforts culminated in a “Take Flight” mural, painted by Lauren Lee, in downtown Phoenix. The wings symbolize coming of age and taking flight into adulthood. There was also a wheat pasting of the mural in Tucson, at Scottsdale Community College and Mesa Community College. Through the Shazam app, the mural had an augmented reality feature that made the wings come to life and animate. At the end of the experience, there was a link taking the user to register to vote. This campaign assisted in generating 566+ pieces of publicly shared “user generated content” on Instagram, which together accumulated approximately 68 thousand likes and over 3,250 comments!





# Independent Voter Campaign

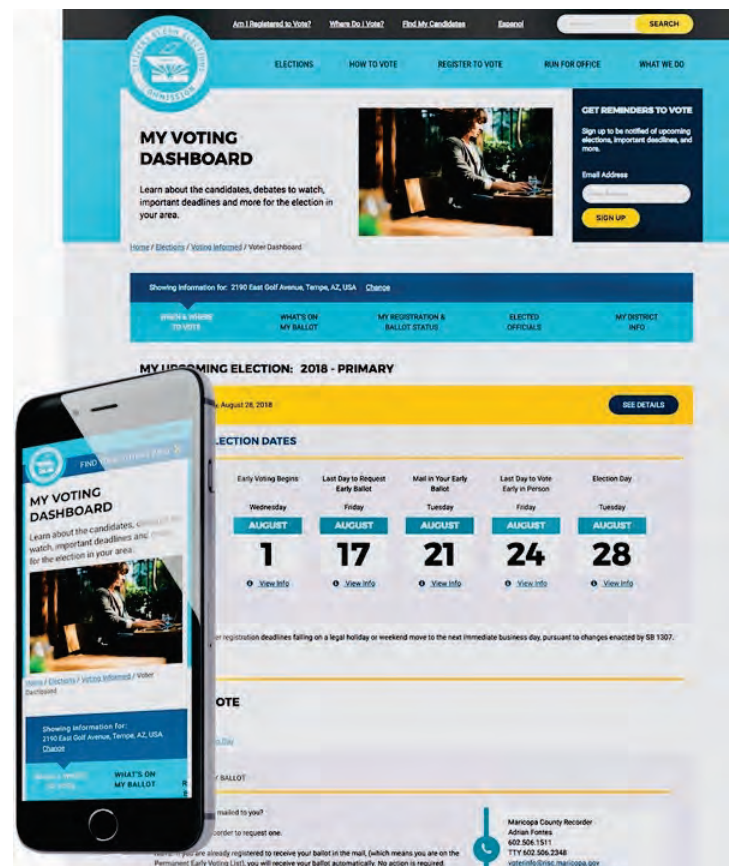
The Independent Voter Campaign was created to increase awareness of the actions Independent Voters need to take in order to participate in Arizona's primary election, which took place on August 28th. Arizona has an "open primary" which allows voters registered as Independent to participate by designating to their County Recorder which partisan ballot they would like to receive. The methods utilized throughout this campaign included social media postings, print ads, an infographic and more!



# Website Re-Design & Voter Dashboard

The Voter Education program has significantly expanded throughout recent years and because of this our website content has as well. To keep up with the amount of information our site houses the Commission underwent a website re-design at the start of 2018, to better optimize not only the content but also the layout and accessibility of all of this information. Notable changes were the new page hierarchy and website structure, which is evidenced by the menu categories at the top navigation and a search feature, which allows voters to quickly access exactly what they were looking for.

Also making it's debut in 2018 was the Commission's newest tool, the "Voter Dashboard". The dashboard is the Commission's most comprehensive and user-friendly resource delivering tailored information directly to voters. The Voter Dashboard can be quickly accessed on a laptop, tablet, or mobile phone via its responsive design which reconfigures to the screen size of any device. Voters need only type in their home address to immediately receive customized elections details specific to their geographic location.



# Customer Relationship Management (CRM)

Another new feature provided by the Commission is the Customer Relationship Management (CRM) program, more commonly referred to as our voting reminders. Voters now have the ability to opt in for email notifications. These notifications contain election information, relevant deadlines and helpful links to other tools the Commission provides. This also grants the Executive Director the ability to communicate with the citizens participating in the program in case of a pertinent election update. The sign up field for this program is available at the bottom of every page of our website (pictured below).



## **GET VOTING REMINDERS**

Sign up to hear about upcoming elections, get voting reminders and more.

*Email Address*

**SIGN UP**

# Clean Elections

## Training & Guides

Education is a core component of the Commission. In 2018, the Commission continued to provide information to interested groups and potential candidates through speaking engagements, training workshops, as well as through publications on our enhanced agency website. Each election cycle the Commission develops a guide to assist participating candidates as they navigate the political campaign process and to inform non-participating candidates, and other groups involved in elections, about the Clean Elections Act and rules. The guide covers important topics such as requirements of the Clean Elections Act and Rules, filing and reporting deadlines, how to become a Clean Elections participating candidate, and how to qualify for funding.



Participating candidates are required to attend one Clean Elections Candidate Training Workshop during the election cycle. The workshops are open to the public and designed to provide information to prospective candidates, or those who are assisting participating candidates, about the requirements of the Clean Elections Act.



# Candidate Debates

Debates in the 2018 Election Cycle were held for both the Primary and General Elections. A debate was conducted for every contested Statewide and Legislative office that included a participating candidate or upon the request of a traditional candidate. This year Clean Elections was able to partner with high schools and The Capitol Times and a handful of debates were even livestreamed! These new initiatives have allowed us to expand the debate program and to get the community involved more than ever before. The livestreams collectively reached approximately 16,755 people throughout the state! There were a total of 30 debates held in the Primary Election and 34 for the General Election.



# Voter Crisis Report

A new report, commissioned by Clean Elections and authored by the ASU Morrison Institute for Public Policy, explores how Arizona has much room for improvement when it comes to elections. The findings were assembled in the publication titled “Arizona’s Voter Crisis”. This report indicates that non-voters are the ones actually determining elections. When compared to other states, Arizona ranks 43<sup>rd</sup> in voter participation. The report discusses Arizona’s electoral and political landscape as well as discussing steps that could help improve participation. The report can be downloaded on the [Commission’s website](#).






# Website & Social Media

The Commission had a significant increase in its engagement with voters online. Utilizing social media channels has allowed the Commission to instantly connect with voters on timely and important election related issues. Voters and candidates alike can follow the Commission on social media for more information about elections and running for office.

Social media sites such as Twitter, YouTube and Facebook were utilized and the chart below displays the amount of followers/likes throughout the previous years.

## Social Media Traffic:

	2016	2017	2018	% from 2017-2018
	33,119 Likes	33,451 Likes	35,098 Likes	+5%
	1,270 Followers	1,427 Followers	1,699 Followers	+19%
** 	536,000+ Views	596,000+ Views	990,541+ Views	+66%

\*\*These totals reflect the number of views within that calendar year exclusively.

## Website Traffic:

Year	Sessions	Users	% of New Users	Page Views
2018	1,012,202	676,846	81.9%	1,909,600
2017	68,687	55,937	90.8%	101,525
2016	382,013	304,543	79.54%	646,840
2015	117,372	98,672	83.9%	150,088



# Financial Information

## Revenue Sources

Citizens Clean Elections Commission revenue comes from the following sources:

- 10% surcharge on all civil penalties and criminal fines
- Civil penalties paid by candidates.
- \$5 qualifying contributions collected from participating candidates.

### CY 2018\*\* Revenues

Court Assessments	\$6,925,299
Commission Assessments	\$0
\$5 Tax Check-off (late tax filings)*	\$0
Miscellaneous	\$83,612
\$5 Qualifying Contributions	\$164,605

## Controls on Spending

The Commission's total expenditures cannot exceed seven times the number of Arizona resident personal income tax returns filed during the previous calendar year. Up to 10% of the total expenditure cap for administration and enforcement purposes may be used. The Commission may make public education paid media expenditures up to 10% of the total expenditure cap as well. (A.R.S. §16-949) The 2018 expenditure caps were as follows:

- Total Expenditure Cap: \$20,668,270
- Administration & Enforcement Cap: \$2,066,827
- Public Education Expenditure Cap: \$2,066,827

CY 2018** Expenditures:	Admin & Enforcement	Voter Education & Paid Media
	\$740,579	\$3,858,723.04

Clean Elections is funded by voluntary contributions and surcharges on criminal penalties and violations, such as traffic tickets.

Not a single dollar of Clean Elections funding comes from the State's General Fund.

Rather than taking money from taxpayers, Clean Elections has donated \$74 million to the State's General Fund since its inception through 2016.

The removal of the \$5 check-off box on Arizona state income tax return forms and dollar-for-dollar tax credits caused a decrease in revenue to the Clean Elections Fund, and as a result the Commission was unable to transfer excess monies to the General Fund in 2018.

\*Previously, Arizona citizens could contribute voluntarily through a \$5 check-off box on Arizona state income tax return forms and through dollar for dollar tax credits. This portion of the Act was removed in 2012; however, late tax filers may still contribute.

\*\*The Clean Elections Commission operates on a calendar year budget rather than the State's fiscal year budget.



# 2018 Candidate Summary

## Arizona's Citizens Clean Elections Act

The public financing system is voluntary; candidates who choose to participate in this system to receive public funding are known as participating candidates. Candidates who choose to raise private campaign funds are known as non-participating/traditional candidates.

To become a Clean Elections participating candidate, a candidate must raise a number of \$5 qualifying contributions during a defined qualifying period. Clean Elections participating candidates agree to forgo contributions from political action committees.

During the Primary election 245 candidates sought statewide and legislative offices, with 69 of those individuals were participating in the Clean Elections system. The Clean Elections candidate participation rate was 28% in the Primary election.

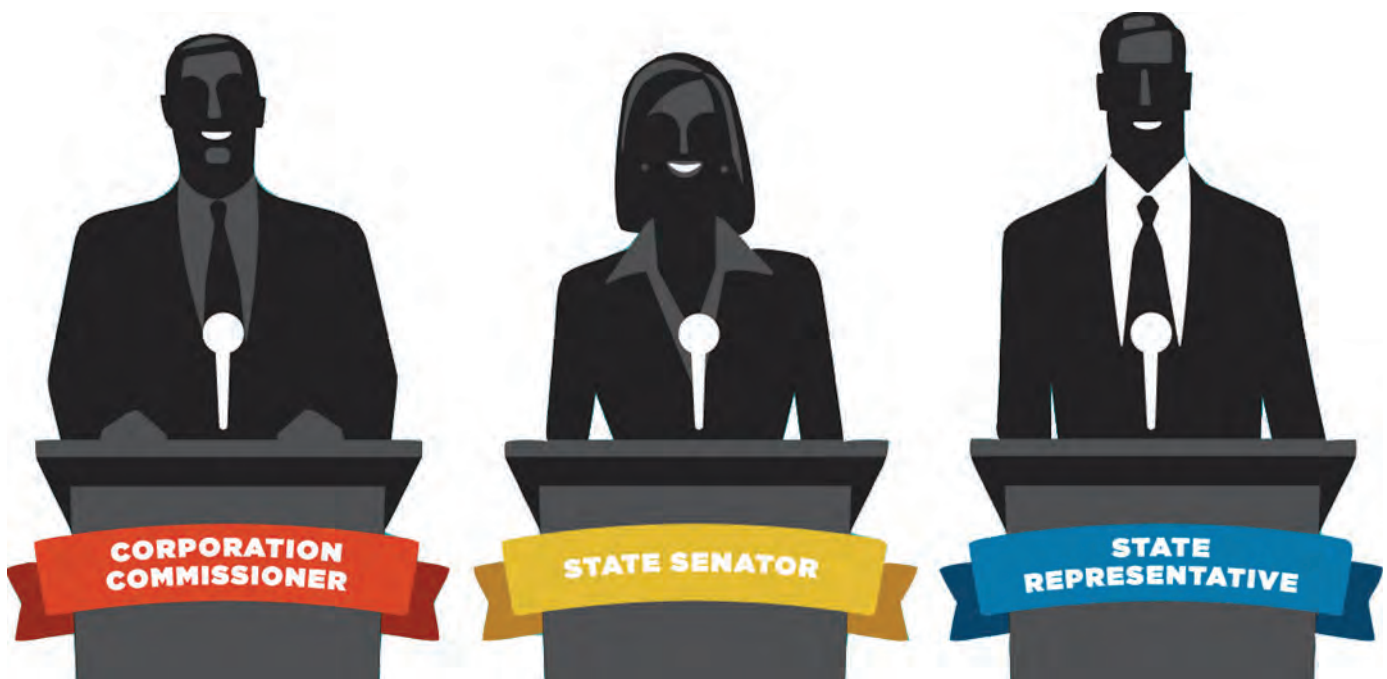
During the General election there were 174 candidates seeking statewide and legislative offices, 49 of which were participating candidates. The Clean Elections candidate participation rate was 28% in the General election.

In 2018, more than \$3.7 million was distributed from the Clean Elections Fund to participating candidates.

The following pages list the candidates for statewide and legislative office who raised funds and qualified for the ballot. Please note each state legislative district elects two representatives to serve in the House of Representatives and one senator to serve in the Senate. This listing is compiled using data provided at [www.azsos.gov](http://www.azsos.gov).

# 2018 PRIMARY ELECTION CANDIDATE LISTING

Reallocation Notice: Pursuant to A.R.S. §16-952(D), a one-party-dominant legislative district is a district in which the number of registered voters registered in the party with the highest number of registered voters exceeds the number of registered voters to each of the other parties by an amount at least as high as ten percent of the total number of voters registered in the district. In 2018, qualifying legislative candidates received \$16,995 in funding for the primary. Legislative candidates who were eligible, and chose, to reallocate received \$25,493 for the primary instead of the general election. Candidates are eligible to reallocate their funding if they are in a one-party dominant district, are in the dominant party, and have a contested primary election.



# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

				Primary Initial Disbursement
<b>Governor</b>				
Bennett, Ken	201800522	Republican		0.00
Ducey, Doug	201600675	Republican		0.00
Farley, Steve	201800218	Democratic		0.00
Fryer, Kelly	201800409	Democratic		0.00
Garcia, David	201800174	Democratic		0.00
Torres, Angel	201800353	Green		0.00
				<b>0.00</b>
<b>Secretary of State</b>				
Gaynor, Steve	201800440	Republican		0.00
Hobbs, Katie	201800057	Democratic		0.00
Reagan, Michele	201600684	Republican		0.00
				<b>0.00</b>
<b>Attorney General</b>				
Brnovich, Mark	201600347	Republican		0.00
Contreras, January	201800219	Democratic		0.00
				<b>0.00</b>
<b>State Mine Inspector</b>				
Hart, Joe	201800263	Republican		0.00
Pierce, Bill	201800227	Democratic	Participating	54,405.00
				<b>54,405.00</b>
<b>State Treasurer</b>				
Manoil, Mark	201800350	Democratic	Participating	108,779.00
Sabbagh, Jo	201800231	Republican		0.00
Yee, Kimberly	201800367	Republican		0.00
				<b>108,779.00</b>

Enter Filer ID at (<http://apps.azsos.gov/apps/election/cfs/search/CandidateSearch.aspx>)  
to view a candidate's campaign finance reports

10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>Superintendent of Public Instruction</b>					
Branch, Robert	201800217	Republican			0.00
Douglas, Diane	201600709	Republican			0.00
Gelbart, Jonathan	201800230	Republican			0.00
Hoffman, Katherine	201800138	Democratic	Participating		108,779.00
Livingston, Tracy	201800102	Republican			0.00
Riggs, Frank	201800165	Republican			0.00
Schapira, David	201800176	Democratic	Participating		108,779.00
					<b>217,558.00</b>
<b>Corporation Commissioner</b>					
Forese, Tom	201600677	Republican			0.00
Glassman, Rodney	201800220	Republican			0.00
Kennedy, Sandra	201800360	Democratic	Participating		108,779.00
Mundell, Bill	201800342	Democratic	Participating		108,779.00
O'Connor, James	201800336	Republican	Participating		108,779.00
Olson, Justin	201600198	Republican			0.00
Sears, Kiana	201800259	Democratic	Participating		108,779.00
Sloan, Eric	201800332	Republican			0.00
					<b>435,116.00</b>
<b>State Senator - District 1</b>					
Craycraft, Jo	201800377	Democratic	Participating		16,995.00
Fann, Karen	201800020	Republican			0.00
					<b>16,995.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>State Representative - District 1</b>					
Campbell, Noel	201800044	Republican			0.00
Gogek, Ed	201800414	Democratic	Participating		16,995.00
Manolis, Jan	201800437	Democratic	Participating		16,995.00
Rooney, Jodi	201800369	Republican			0.00
Stringer, David	201600370	Republican			0.00
					<b>33,990.00</b>
<b>State Senator - District 2</b>					
Dalessandro, Andrea	201800017	Democratic	Participating		16,995.00
Kais, Shelley	201800469	Republican			0.00
Wilson, Bobby	201800298	Republican	Participating		16,995.00
					<b>33,990.00</b>
<b>State Representative - District 2</b>					
Ackerley, John	201800397	Republican			0.00
Gabaldon, Rosanna	201600086	Democratic	Participating		16,995.00
Hernandez, Daniel	201600418	Democratic			0.00
Sizer, Anthony	201800302	Republican	Participating		16,995.00
					<b>33,990.00</b>
<b>State Senator - District 3</b>					
Gonzales, Sally	201800379	Democratic	Participating		25,493.00
Villegas, Betty	201800290	Democratic	Participating		25,493.00
					<b>50,986.00</b>
<b>State Representative - District 3</b>					
Baker, Beryl	201800570	Green			0.00
Cajero Bedford, Olivia	201800224	Democratic	Participating		16,995.00
Cano, Andres	201800274	Democratic			0.00
Hernandez, Alma	201800416	Democratic			0.00
					<b>16,995.00</b>

Enter Filer ID at (<http://apps.azsos.gov/apps/election/cfs/search/CandidateSearch.aspx>)  
to view a candidate's campaign finance reports

10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

				Primary Initial Disbursement
<b>State Senator - District 4</b>				
Otondo, Lisa	201600344	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 4</b>				
Fernandez, Charlene	201800049	Democratic		0.00
Peten, Geraldine	201800301	Democratic		0.00
Williams, Sara	201800658	Independent		0.00
				<b>0.00</b>
<b>State Senator - District 5</b>				
Borrelli, Sonny	201600293	Republican		0.00
Morgaine, J'Aime	201800508	Democratic	Participating	16,995.00
				<b>16,995.00</b>
<b>State Representative - District 5</b>				
Biasiucci, Leo	201800222	Republican		0.00
Cobb, Regina	201800008	Republican		0.00
Mccord Robinson, Mary	201800510	Democratic	Participating	16,995.00
Mosley, Paul	201600320	Republican		0.00
				<b>16,995.00</b>
<b>State Senator - District 6</b>				
Allen, Sylvia Tenney	201800077	Republican		0.00
Carlisle, Wade	201800271	Democratic		0.00
				<b>0.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

				Primary Initial Disbursement
<b>State Representative - District 6</b>				
Blackman, Walter "Walt"	201800417	Republican		0.00
French, Felicia	201800278	Democratic		0.00
Mcdaniel, Stuart	201800378	Republican		0.00
Thorpe, Robert	201800062	Republican		0.00
Tyler, Robert	201800267	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 7</b>				
Mealer, John	201800491	Republican		0.00
Peshlakai, Jamescita	201600352	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 7</b>				
Teller, Arlando	201800506	Democratic		0.00
Tsosie, Myron	201800483	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 8</b>				
Bock, Natali	201800466	Democratic		0.00
Girard, Sharon	201800171	Democratic	Participating	16,995.00
Pratt, Frank	201800033	Republican		0.00
				<b>16,995.00</b>
<b>State Representative - District 8</b>				
Casillas, Carmen	201800194	Democratic		0.00
Cook, David	201800041	Republican		0.00
Correa, Pablo	201800464	Democratic	Participating	33,990.00
Gross, Linda	201800478	Democratic	Participating	16,995.00
Shope, Thomas	201800034	Republican		0.00
				<b>50,985.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

**Primary Initial  
Disbursement**

## State Senator - District 9

Fleenor, Randall	201800644	Republican		0.00
Love, James	201800202	Democratic	Participating	16,995.00
Steele, Victoria	201800309	Democratic	Participating	16,995.00
				<b>33,990.00</b>

## State Representative - District 9

Friese, Randall	201800070	Democratic		0.00
Hannley, Pamela	201800223	Democratic	Participating	16,995.00
Henderson, Ana	201800368	Republican		0.00
Martin, Jp	201800418	Democratic		0.00
				<b>16,995.00</b>

## State Senator - District 10

Bradley, David	201600204	Democratic		0.00
Wiles, Marilyn	201800612	Republican		0.00
				<b>0.00</b>

## State Representative - District 10

Clodfelter, Todd	201800035	Republican		0.00
Degrazia, Domingo	201800206	Democratic		0.00
Engel, Kirsten	201800066	Democratic		0.00
Lee, Nikki	201800284	Democratic	Participating	16,995.00
Ripley, Catherine	201800423	Democratic		0.00
				<b>16,995.00</b>

## State Senator - District 11

Arif, Mohammad	201800000	Green		0.00
Atchue, Ralph	201800256	Democratic	Participating	16,995.00
Leach, Venden "Vince"	201800061	Republican		0.00
				<b>16,995.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>State Representative - District 11</b>					
Finchem, Mark	201800038	Republican			0.00
Jones, Howell	201800528	Republican			0.00
Lyon, Hollace	201800241	Democratic			0.00
Mccain, Barry	201800201	Democratic			0.00
Quiroz, Marcela	201800573	Democratic			0.00
Roberts, Bret	201800225	Republican	Participating		16,995.00
					<b>16,995.00</b>
<b>State Senator - District 12</b>					
Brown, Elizabeth	201800266	Democratic	Participating		16,995.00
Farnsworth, Eddie	201600357	Republican			0.00
Lindblom, James	201600504	Republican			0.00
					<b>16,995.00</b>
<b>State Representative - District 12</b>					
Bisaccia, Joseph	201800226	Democratic	Participating		16,995.00
Grantham, Travis	201600462	Republican			0.00
Myers, Nick	201800374	Republican			0.00
Petersen, Warren	201600171	Republican			0.00
Robinson, Lynsey	201800426	Democratic	Participating		16,995.00
Rothans, David	201800326	Democratic	Participating		16,995.00
Sacha, Blake	201800356	Republican			0.00
					<b>50,985.00</b>
<b>State Senator - District 13</b>					
Backus, Brent	201800308	Republican			0.00
Harris, Mary-Katherine	201800292	Democratic	Participating		16,995.00
Kerr, Sine	201800175	Republican			0.00
Shooter, Don	201600328	Republican			0.00
					<b>16,995.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

**Primary Initial  
Disbursement**

## State Representative - District 13

Dunn, Timothy	201800489	Republican		0.00
Mitchell, Darin	201800085	Republican		0.00
Osborne, Joanne	201800262	Republican		0.00
Terry, Trey	201800415	Republican		0.00
Tzitzura, Vasle	201800511	Democratic	Participating	16,995.00
				<b>16,995.00</b>

## State Senator - District 14

Alvarez, Jaime	201800503	Democratic	Participating	16,995.00
Gomez, Melinda "Mendy"	201800408	Democratic	Participating	16,995.00
Gowan, David	201800010	Republican		0.00
John, Drew	201800181	Republican		0.00
Kilpatrick, Lori	201800337	Republican	Participating	16,995.00
				<b>50,985.00</b>

## State Representative - District 14

Griffin, Gail	201800192	Republican		0.00
Karp, Robert	201800428	Democratic		0.00
Nutt, Becky	201800055	Republican		0.00
Renne Leon, Shelley	201800566	Democratic	Participating	16,995.00
				<b>16,995.00</b>

## State Senator - District 15

Carter, Heather	201600191	Republican		0.00
Dybvig-Pawelko, Kristin	201800552	Democratic	Participating	16,995.00
				<b>16,995.00</b>

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10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

**Primary Initial  
Disbursement**

## State Representative - District 15

Allen, John	201800071	Republican		0.00
Barto, Nancy	201600164	Republican		0.00
Gunnigle, Julie	201800533	Democratic	Participating	16,995.00
MacBeth, Tonya	201600455	Democratic	Participating	16,995.00
Samuels, Jennifer	201800559	Democratic	Participating	16,995.00
				<b>50,985.00</b>

## State Senator - District 16

Carmitchel, Benjamin	201800532	Democratic	Participating	0.00
Farnsworth, David	201600175	Republican		0.00
Hernandez, Michael	201800160	Republican		0.00
				<b>0.00</b>

## State Representative - District 16

Fillmore, John	201800264	Republican		0.00
Godzich, Lisa	201800318	Republican		0.00
Kridler, Stephen	201800325	Republican		0.00
Phelps, Tara	201800538	Republican	Participating	25,493.00
Stinard, Sharon	201800410	Democratic		0.00
Townsend, Kelly	201800075	Republican		0.00
				<b>25,493.00</b>

## State Senator - District 17

Mesnard, J.D.	201600193	Republican		0.00
Weichert, Steven	201800142	Democratic		0.00
				<b>0.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>State Representative - District 17</b>					
Ellen, Nora	201600708	Republican			0.00
Pawlik, Jennifer	201800139	Democratic			0.00
Weninger, Jeff	201800050	Republican			0.00
Willoughby, Julie	201800289	Republican			0.00
					<b>0.00</b>
<b>State Senator - District 18</b>					
Bowie, Sean	201600080	Democratic			0.00
Schmuck, Frank	201800005	Republican			0.00
					<b>0.00</b>
<b>State Representative - District 18</b>					
Epstein, Denise "Mitzi"	201600130	Democratic			0.00
Hawker, Don	201800589	Republican			0.00
Jermaine, Jennifer	201800162	Democratic			0.00
Norgaard, Jill	201600178	Republican			0.00
Patterson, Greg	201800549	Republican			0.00
Shifa, Farhana	201800283	Republican			0.00
Stuben, Ladawn	201800315	Democratic	Participating		16,995.00
					<b>16,995.00</b>
<b>State Senator - District 19</b>					
Contreras, Guadalupe	201600203	Democratic			0.00
					<b>0.00</b>
<b>State Representative - District 19</b>					
Del Palacio, Devin	201800458	Democratic			0.00
Espinoza, Jose	201600202	Democratic			0.00
Sierra, Lorenzo	201800208	Democratic			0.00
					<b>0.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>State Senator - District 20</b>					
Boyer, Paul	201600184	Republican			0.00
Ervin, Douglas	201800215	Democratic	Participating		16,995.00
Loftus, Charles	201800221	Republican			0.00
Marquez, Matthew	201800275	Democratic	Participating		16,995.00
Quelland, Doug	201600321	Independent			0.00
					<b>33,990.00</b>
<b>State Representative - District 20</b>					
Anderson, Dan	201800351	Democratic			0.00
Bolick, Shawwna	201800343	Republican			0.00
Chandler, Hazel	201800446	Democratic	Participating		16,995.00
Church, Patrick	201800250	Democratic			0.00
Gilfillan, Christopher	201600340	Democratic	Participating		16,995.00
Kern, Anthony	201800043	Republican			0.00
					<b>33,990.00</b>
<b>State Senator - District 21</b>					
Gray, Rick	201800396	Republican			0.00
Knecht, Kathy	201800169	Independent			0.00
Miller, Randy	201800467	Republican			0.00
					<b>0.00</b>
<b>State Representative - District 21</b>					
Hughes, Bradley	201800239	Democratic	Participating		16,995.00
Payne, Kevin	201800052	Republican			0.00
Rivero, Jose	201600236	Republican			0.00
Romero, Gilbert	201800352	Democratic	Participating		16,995.00
					<b>33,990.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

					Primary Initial Disbursement
<b>State Senator - District 22</b>					
Garcia, Wendy	201800372	Democratic	Participating		16,995.00
Livingston, David	201600197	Republican			0.00
Westbrook, Brianna	201800474	Democratic			0.00
					<b>16,995.00</b>
<b>State Representative - District 22</b>					
Bullock, Matthew	201800228	Republican			0.00
Carroll, Frank	201800087	Republican	Participating		25,493.00
Harris, Valerie	201800330	Democratic	Participating		16,995.00
Heep, John	201800090	Republican	Participating		25,493.00
Sarmiento, Teri	201800287	Democratic			0.00
Toma, Benjamin	201800179	Republican			0.00
					<b>67,981.00</b>
<b>State Senator - District 23</b>					
Jeffries, Timothy	201800516	Republican			0.00
Kelly, Kristina	201800515	Republican			0.00
Leone, Christopher	201800280	Independent			0.00
Lohman, Daria	201800295	Democratic	Participating		16,995.00
Ugenti-Rita, Michelle	201600355	Republican			0.00
					<b>16,995.00</b>
<b>State Representative - District 23</b>					
Kavanagh, John	201800018	Republican			0.00
Kurland, Eric	201800303	Democratic	Participating		16,995.00
Lawrence, Jay	201800040	Republican			0.00
					<b>16,995.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

				Primary Initial Disbursement
<b>State Senator - District 24</b>				
Alger, Vicki	201800111	Republican		0.00
Alston, Lela	201800037	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 24</b>				
Alger, David	201800112	Republican		0.00
Clark, Ken	201600316	Democratic		0.00
Dominguez, Freddie	201800401	Democratic		0.00
Ferrell, Marcus	201800344	Democratic		0.00
Glenn, John	201800140	Democratic		0.00
Link, Denise	201800328	Democratic		0.00
Longdon, Jennifer	201800207	Democratic		0.00
Shah, Amish	201800156	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 25</b>				
Mohr-Almeida, Kathy	201800348	Democratic	Participating	16,995.00
Pace, Tyler	201800564	Republican		0.00
				<b>16,995.00</b>
<b>State Representative - District 25</b>				
Bowers, Russell	201800076	Republican		0.00
Hinton, Marlene	201800601	Republican		0.00
Martin, Johnny	201800189	Democratic	Participating	16,995.00
Udall, Michelle	201600496	Republican		0.00
				<b>16,995.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

**Primary Initial  
Disbursement**

## State Senator - District 26

Manuel, Debbie	201800429	Democratic	Participating	25,493.00
Mendez, Juan	201600354	Democratic	Participating	25,493.00
Speakman, Rebecca	201800616	Republican	Participating	0.00
				<b>50,986.00</b>

## State Representative - District 26

Blanc, Isela	201800394	Democratic	Participating	16,995.00
Salman, Athena	201800393	Democratic	Participating	25,493.00
Speakman, Raymond	201800454	Republican	Participating	16,995.00
				<b>59,483.00</b>

## State Senator - District 27

Miranda, Cipriano-Gabriel	201800400	Democratic		0.00
Rios, Rebecca	201600113	Democratic		0.00
				<b>0.00</b>

## State Representative - District 27

Adams, Talonya	201800583	Democratic	Participating	25,493.00
Bolding, Reginald	201600101	Democratic		0.00
Rodriguez, Diego	201800452	Democratic		0.00
Sanchez Garcia, Roberto	201800399	Democratic		0.00
				<b>25,493.00</b>

## State Senator - District 28

Bowers, Kenneth	201800240	Republican		0.00
Brophy Mcgee, Kate	201800056	Republican		0.00
Marsh, Christine	201800199	Democratic		0.00
				<b>0.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 245 / 69

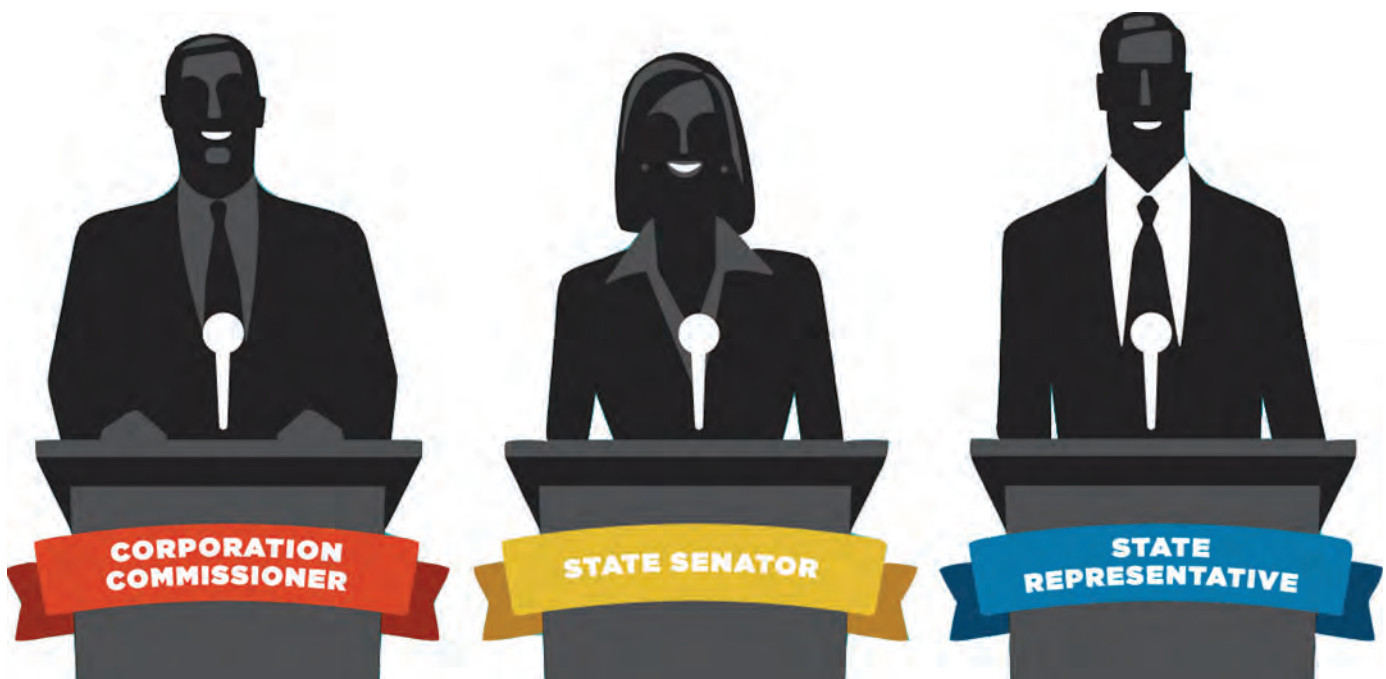
				Primary Initial Disbursement
<b>State Representative - District 28</b>				
Butler, Kelli	201600317	Democratic		0.00
Lieberman, Aaron	201800550	Democratic		0.00
Petsas, Kathy	201800545	Republican		0.00
Syms, Maria	201600525	Republican		0.00
				<b>0.00</b>
<b>State Senator - District 29</b>				
Quezada, Martin	201600150	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 29</b>				
Andrade, Richard	201600144	Democratic		0.00
Chavez, Cesar	201600552	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 30</b>				
Navarrete, Otoniel	201800203	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 30</b>				
Brotherton, Bill	201800340	Democratic		0.00
Larios, Alejandro	201800460	Democratic	Participating	25,493.00
Meza Jr, Robert	201800304	Democratic		0.00
Spears, Gary	201800640	Republican	Participating	16,995.00
Teran, Raquel	201800317	Democratic		0.00
				<b>42,488.00</b>
<b>Grand Total</b>				<b>1,920,538.00</b>

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# 2018 GENERAL ELECTION CANDIDATE LISTING

Reallocation Notice: Pursuant to A.R.S. §16-952(D), a one-party-dominant legislative district is a district in which the number of registered voters registered in the party with the highest number of registered voters exceeds the number of registered voters to each of the other parties by an amount at least as high as ten percent of the total number of voters registered in the district. In 2018, qualifying legislative candidates received \$16,995 in funding for the primary. Legislative candidates who were eligible, and chose, to reallocate received \$25,493 for the primary instead of the general election. Candidates are eligible to reallocate their funding if they are in a one-party dominant district, are in the dominant party, and have a contested primary election.



# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>Governor</b>					
Ducey, Doug	201600675	Republican			0.00
Garcia, David	201800174	Democratic			0.00
Torres, Angel	201800353	Green			0.00
					<b>0.00</b>
<b>Secretary of State</b>					
Gaynor, Steve	201800440	Republican			0.00
Hobbs, Katie	201800057	Democratic			0.00
					<b>0.00</b>
<b>Attorney General</b>					
Brnovich, Mark	201600347	Republican			0.00
Contreras, January	201800219	Democratic			0.00
					<b>0.00</b>
<b>State Mine Inspector</b>					
Hart, Joe	201800263	Republican			0.00
Pierce, Bill	201800227	Democratic	Participating		81,608.00
					<b>81,608.00</b>
<b>State Treasurer</b>					
Manoil, Mark	201800350	Democratic	Participating		163,169.00
Yee, Kimberly	201800367	Republican			0.00
					<b>163,169.00</b>
<b>Superintendent of Public Instruction</b>					
Hoffman, Katherine	201800138	Democratic	Participating		163,169.00
Riggs, Frank	201800165	Republican			0.00
					<b>163,169.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>Corporation Commissioner</b>					
Glassman, Rodney	201800220	Republican			0.00
Kennedy, Sandra	201800360	Democratic	Participating		163,169.00
Olson, Justin	201600198	Republican			0.00
Sears, Kiana	201800259	Democratic	Participating		163,169.00
					<b>326,338.00</b>
<b>State Senator - District 1</b>					
Craycraft, Jo	201800377	Democratic	Participating		25,493.00
Fann, Karen	201800020	Republican			0.00
					<b>25,493.00</b>
<b>State Representative - District 1</b>					
Campbell, Noel	201800044	Republican			0.00
Gogek, Ed	201800414	Democratic	Participating		25,493.00
Manolis, Jan	201800437	Democratic	Participating		25,493.00
Stringer, David	201600370	Republican			0.00
					<b>50,986.00</b>
<b>State Senator - District 2</b>					
Dalessandro, Andrea	201800017	Democratic	Participating		25,493.00
Kais, Shelley	201800469	Republican			0.00
					<b>25,493.00</b>
<b>State Representative - District 2</b>					
Ackerley, John	201800397	Republican			0.00
Gabaldon, Rosanna	201600086	Democratic	Participating		25,493.00
Hernandez, Daniel	201600418	Democratic			0.00
Sizer, Anthony	201800302	Republican	Participating		25,493.00
					<b>50,986.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>State Senator - District 3</b>					
Gonzales, Sally	201800379	Democratic	Participating		1,330.00
					<b>1,330.00</b>
<b>State Representative - District 3</b>					
Baker, Beryl	201800570	Green			0.00
Cano, Andres	201800274	Democratic			0.00
Hernandez, Alma	201800416	Democratic			0.00
					<b>0.00</b>
<b>State Senator - District 4</b>					
Otondo, Lisa	201600344	Democratic			0.00
					<b>0.00</b>
<b>State Representative - District 4</b>					
Fernandez, Charlene	201800049	Democratic			0.00
Peten, Geraldine	201800301	Democratic			0.00
Williams, Sara	201800658	Independent			0.00
					<b>0.00</b>
<b>State Senator - District 5</b>					
Borrelli, Sonny	201600293	Republican			0.00
Morgaine, J'Aime	201800508	Democratic	Participating		25,493.00
					<b>25,493.00</b>
<b>State Representative - District 5</b>					
Biasiucci, Leo	201800222	Republican			0.00
Cobb, Regina	201800008	Republican			0.00
Mccord Robinson, Mary	201800510	Democratic	Participating		25,493.00
					<b>25,493.00</b>

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# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Senator - District 6</b>				
Allen, Sylvia Tenney	201800077	Republican		0.00
Carlisle, Wade	201800271	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 6</b>				
Blackman, Walter "Walt"	201800417	Republican		0.00
French, Felicia	201800278	Democratic		0.00
Thorpe, Robert	201800062	Republican		0.00
Tyler, Robert	201800267	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 7</b>				
Mealer, John	201800491	Republican		0.00
Peshlakai, Jamescita	201600352	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 7</b>				
Teller, Arlando	201800506	Democratic		0.00
Tsosie, Myron	201800483	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 8</b>				
Girard, Sharon	201800171	Democratic	Participating	25,493.00
Pratt, Frank	201800033	Republican		0.00
				<b>25,493.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Representative - District 8</b>				
Casillas, Carmen	201800194	Democratic		0.00
Cook, David	201800041	Republican		0.00
Gross, Linda	201800478	Democratic	Participating	25,493.00
Shope, Thomas	201800034	Republican		0.00
				<b>25,493.00</b>
<b>State Senator - District 9</b>				
Fleenor, Randall	201800644	Republican		0.00
Steele, Victoria	201800309	Democratic	Participating	25,493.00
				<b>25,493.00</b>
<b>State Representative - District 9</b>				
Friese, Randall	201800070	Democratic		0.00
Hannley, Pamela	201800223	Democratic	Participating	25,493.00
Henderson, Ana	201800368	Republican		0.00
				<b>25,493.00</b>
<b>State Senator - District 10</b>				
Bradley, David	201600204	Democratic		0.00
Wiles, Marilyn	201800612	Republican		0.00
				<b>0.00</b>
<b>State Representative - District 10</b>				
Clodfelter, Todd	201800035	Republican		0.00
Degrazia, Domingo	201800206	Democratic		0.00
Engel, Kirsten	201800066	Democratic		0.00
Reilly, Joshua	201800000	Green		0.00
				<b>0.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Senator - District 11</b>				
Arif, Mohammad	201800000	Green		0.00
Atchue, Ralph	201800256	Democratic	Participating	25,493.00
Leach, Venden "Vince"	201800061	Republican		0.00
				<b>25,493.00</b>
<b>State Representative - District 11</b>				
Finchem, Mark	201800038	Republican		0.00
Lyon, Hollace	201800241	Democratic		0.00
Quiroz, Marcela	201800573	Democratic		0.00
Roberts, Bret	201800225	Republican	Participating	25,493.00
				<b>25,493.00</b>
<b>State Senator - District 12</b>				
Brown, Elizabeth	201800266	Democratic	Participating	25,493.00
Farnsworth, Eddie	201600357	Republican		0.00
				<b>25,493.00</b>
<b>State Representative - District 12</b>				
Bisaccia, Joseph	201800226	Democratic	Participating	25,493.00
Grantham, Travis	201600462	Republican		0.00
Petersen, Warren	201600171	Republican		0.00
Robinson, Lynsey	201800426	Democratic	Participating	25,493.00
				<b>50,986.00</b>
<b>State Senator - District 13</b>				
Harris, Mary-Katherine	201800292	Democratic	Participating	25,493.00
Kerr, Sine	201800175	Republican		0.00
				<b>25,493.00</b>



# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Representative - District 13</b>				
Dunn, Timothy	201800489	Republican		0.00
Osborne, Joanne	201800262	Republican		0.00
Tzitzura, Vasle	201800511	Democratic	Participating	25,493.00
				<b>25,493.00</b>
<b>State Senator - District 14</b>				
Alvarez, Jaime	201800503	Democratic	Participating	25,493.00
Gowan, David	201800010	Republican		0.00
				<b>25,493.00</b>
<b>State Representative - District 14</b>				
Griffin, Gail	201800192	Republican		0.00
Karp, Robert	201800428	Democratic		0.00
Nutt, Becky	201800055	Republican		0.00
Renne Leon, Shelley	201800566	Democratic	Participating	25,493.00
				<b>25,493.00</b>
<b>State Senator - District 15</b>				
Carter, Heather	201600191	Republican		0.00
Dybvig-Pawelko, Kristin	201800552	Democratic	Participating	25,493.00
				<b>25,493.00</b>
<b>State Representative - District 15</b>				
Allen, John	201800071	Republican		0.00
Barto, Nancy	201600164	Republican		0.00
Gunnigle, Julie	201800533	Democratic	Participating	25,493.00
Samuels, Jennifer	201800559	Democratic	Participating	25,493.00
				<b>50,986.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>State Senator - District 16</b>					
Carmitchel, Benjamin	201800532	Democratic	Participating		25,493.00
Farnsworth, David	201600175	Republican			0.00
					<b>25,493.00</b>
<b>State Representative - District 16</b>					
Fillmore, John	201800264	Republican			0.00
Stinard, Sharon	201800410	Democratic			0.00
Townsend, Kelly	201800075	Republican			0.00
					<b>0.00</b>
<b>State Senator - District 17</b>					
Mesnard, J.D.	201600193	Republican			0.00
Weichert, Steven	201800142	Democratic			0.00
					<b>0.00</b>
<b>State Representative - District 17</b>					
Ellen, Nora	201600708	Republican			0.00
Pawlik, Jennifer	201800139	Democratic			0.00
Weninger, Jeff	201800050	Republican			0.00
					<b>0.00</b>
<b>State Senator - District 18</b>					
Bowie, Sean	201600080	Democratic			0.00
Schmuck, Frank	201800005	Republican			0.00
					<b>0.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Representative - District 18</b>				
Epstein, Denise "Mitzi"	201600130	Democratic		0.00
Jermaine, Jennifer	201800162	Democratic		0.00
Norgaard, Jill	201600178	Republican		0.00
Patterson, Greg	201800549	Republican		0.00
				<b>0.00</b>
<b>State Senator - District 19</b>				
Contreras, Guadalupe	201600203	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 19</b>				
Espinoza, Jose	201600202	Democratic		0.00
Sierra, Lorenzo	201800208	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 20</b>				
Boyer, Paul	201600184	Republican		0.00
Ervin, Douglas	201800215	Democratic	Participating	25,493.00
Quelland, Doug	201600321	Independent		0.00
				<b>25,493.00</b>
<b>State Representative - District 20</b>				
Bolick, Shawwna	201800343	Republican		0.00
Chandler, Hazel	201800446	Democratic	Participating	25,493.00
Gilfillan, Christopher	201600340	Democratic	Participating	25,493.00
Kern, Anthony	201800043	Republican		0.00
				<b>50,986.00</b>

Enter Filer ID at (<http://apps.azsos.gov/apps/election/cfs/search/CandidateSearch.aspx>)  
to view a candidate's campaign finance reports

10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>State Senator - District 21</b>					
Gray, Rick	201800396	Republican			0.00
Knecht, Kathy	201800169	Independent			0.00
					<b>0.00</b>
<b>State Representative - District 21</b>					
Hughes, Bradley	201800239	Democratic	Participating		25,493.00
Payne, Kevin	201800052	Republican			0.00
Rivero, Jose	201600236	Republican			0.00
Romero, Gilbert	201800352	Democratic	Participating		25,493.00
					<b>50,986.00</b>
<b>State Senator - District 22</b>					
Garcia, Wendy	201800372	Democratic	Participating		25,493.00
Livingston, David	201600197	Republican			0.00
					<b>25,493.00</b>
<b>State Representative - District 22</b>					
Carroll, Frank	201800087	Republican	Participating		16,995.00
Harris, Valerie	201800330	Democratic	Participating		25,493.00
Sarmiento, Teri	201800287	Democratic			0.00
Toma, Benjamin	201800179	Republican			0.00
					<b>42,488.00</b>
<b>State Senator - District 23</b>					
Leone, Christopher	201800280	Independent			0.00
Lohman, Daria	201800295	Democratic	Participating		25,493.00
Ugenti-Rita, Michelle	201600355	Republican			0.00
					<b>25,493.00</b>

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

					General Initial Disbursement
<b>State Representative - District 23</b>					
Kavanagh, John	201800018	Republican			0.00
Kurland, Eric	201800303	Democratic	Participating		25,493.00
Lawrence, Jay	201800040	Republican			0.00
					<b>25,493.00</b>
<b>State Senator - District 24</b>					
Alger, Vicki	201800111	Republican			0.00
Alston, Lela	201800037	Democratic			0.00
					<b>0.00</b>
<b>State Representative - District 24</b>					
Alger, David	201800112	Republican			0.00
Longdon, Jennifer	201800207	Democratic			0.00
Shah, Amish	201800156	Democratic			0.00
					<b>0.00</b>
<b>State Senator - District 25</b>					
Mohr-Almeida, Kathy	201800348	Democratic	Participating		25,493.00
Pace, Tyler	201800564	Republican			0.00
					<b>25,493.00</b>
<b>State Representative - District 25</b>					
Bowers, Russell	201800076	Republican			0.00
Martin, Johnny	201800189	Democratic	Participating		25,493.00
Udall, Michelle	201600496	Republican			0.00
					<b>25,493.00</b>
<b>State Senator - District 26</b>					
Mendez, Juan	201600354	Democratic	Participating		16,995.00
Speakman, Rebecca	201800616	Republican	Participating		25,493.00
					<b>42,488.00</b>

Enter Filer ID at (<http://apps.azsos.gov/apps/election/cfs/search/CandidateSearch.aspx>)  
to view a candidate's campaign finance reports

10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Representative - District 26</b>				
Blanc, Isela	201800394	Democratic	Participating	16,995.00
Salman, Athena	201800393	Democratic	Participating	16,995.00
Speakman, Raymond	201800454	Republican	Participating	25,493.00
				<b>59,483.00</b>
<b>State Senator - District 27</b>				
Rios, Rebecca	201600113	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 27</b>				
Bolding, Reginald	201600101	Democratic		0.00
Rodriguez, Diego	201800452	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 28</b>				
Brophy Mcgee, Kate	201800056	Republican		0.00
Marsh, Christine	201800199	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 28</b>				
Butler, Kelli	201600317	Democratic		0.00
Lieberman, Aaron	201800550	Democratic		0.00
Petsas, Kathy	201800545	Republican		0.00
Syms, Maria	201600525	Republican		0.00
				<b>0.00</b>
<b>State Senator - District 29</b>				
Quezada, Martin	201600150	Democratic		0.00
				<b>0.00</b>

Enter Filer ID at (<http://apps.azsos.gov/apps/election/cfs/search/CandidateSearch.aspx>)  
to view a candidate's campaign finance reports

10/2/2018

# List of All Candidate Committees for the 2018 Election

Committees (Total / Participating) = 174 / 49

				General Initial Disbursement
<b>State Representative - District 29</b>				
Andrade, Richard	201600144	Democratic		0.00
Chavez, Cesar	201600552	Democratic		0.00
				<b>0.00</b>
<b>State Senator - District 30</b>				
Navarrete, Otoniel	201800203	Democratic		0.00
				<b>0.00</b>
<b>State Representative - District 30</b>				
Meza Jr, Robert	201800304	Democratic		0.00
Spears, Gary	201800640	Republican	Participating	25,493.00
Teran, Raquel	201800317	Democratic		0.00
				<b>25,493.00</b>
<b>Grand Total</b>				<b>1,797,821.00</b>

# Enforcement, Audits & Litigation

The Commission enforces the Citizens Clean Elections Act and Commission rules which are a part of the Arizona Administrative Code. The Act and Commission rules contain specific campaign finance provisions and limitations.

Commission staff monitor campaign finance reports to ensure campaign spending occurs as specified by the Act and Rules. The Commission has the authority to subpoena witnesses, take evidence, and require, by subpoena, the production of any books, papers, records or other material relevant to an enforcement matter.

Potential penalties for violations of the Act range from monetary penalties, the disqualification of a candidate or forfeiture of office. Most enforcement matters are settled amicably.

The Commission also conducts random audits to ensure compliance with the Act and Commission rules. Candidates are randomly selected during a public Commission meeting. The audits are completed by an independent auditing agency. Candidate audits are selected during election years after the Commission has disbursed funds to qualified candidates.

In 2018, the Commission approved audits for all participating candidates. Candidates that did not advance to the General Election were audited in the Primary Election. Candidates that advanced to the General Election were audited after the election took place.

## Enforcement

The Commission acts on both external and internally filed complaints.

During 2018, the Commission resolved 13 complaints arising from the 2016 election cycle.



# Rulemaking & Legislation

## Commission Rulemaking Authority

In accordance with A.R.S. §16-956(C), the Commission may adopt rules to carry out the purposes of the Citizens Clean Elections Act.

The Commission proposes and adopts rules in public meetings, with at least sixty days allowed for interested parties to comment after the rules are proposed. After consideration of the comments received in the sixty day comment period, the Commission may adopt the rule in an open meeting.

The Commission diligently makes changes to its rules and procedures to address concerns and improve the functions of the program. Rules adopted by the Commission are not effective until January 1 in the year following the adoption of the rule. However, rules adopted by unanimous vote may be immediately effective and are enforceable.

In 2018, the Commission did not make amendments to any rules.

## Vision Statement

Through the successful implementation of the Arizona Citizens Clean Elections Act, the Commission seeks to improve the integrity of Arizona state government and promote public confidence in the Arizona political process.

# 2018 Legislation



The Commission adopted the following legislative principles and priorities in an effort to improve the Act and Commission procedures:

**Oppose efforts to defund, eliminate or limit the Citizens Clean Elections Act and/or the Commission.** Over several sessions, members of the legislature have proposed measures that seek to defund, limit, or eliminate the authority of the Act or the Commission itself. The Commission has historically opposed these efforts on the grounds that they are typically poorly constructed, misleading, or otherwise ill-considered. The Commission works to maintain the letter and spirit of the law and supports efforts that further the purpose of the Act. Specifically the Commission opposes the following:

- **Superseding 16-941(D), -942(B) and 16-901.01**
- **Attempts to limit the power the Commission has to enforce the Act**
- **Monitor expanding the Elections Procedures Manual**

**Support election law reforms.** Elections issues continue to percolate through both the political and legal process. The Commission continues to support reforms including improving the public financing program; improving the campaign finance code to ensure that voters are receiving information about the identity and contributions of campaign contributors and expenditures, including independent expenditures; ensuring that changes improve the State's anti-corruption, anti-circumvention and informational interests, the Clean Elections Act and the Commission's independence; and improving voter access to information, voter involvement and voting.

# 2018 Legislation

**Support improvements to voter education and access.** The Commission has supported efforts to enhance voter education and participation through legislation that advance the anti-corruption and public participation values that undergird the Act. The Commission continues to express its support for legislation that advances these aims.

# Looking Forward to 2019

Here is a preview of what the Commission is looking forward to in 2019:

### 2019 Education Plan

The Commission will continue its voter education efforts in 2019 by offering voters a comprehensive education plan that focuses on how to participate in the electoral process, voting informed and the importance of voting in midterm/local elections. The Commission will offer voters the following education tools in 2019:

- Enhanced Voter Education Guide
- Candidate Compass
- Evolution of the 18 in 2018 Campaign
- ID at the Polls Tool
- Updated Voter Dashboard
- More website content!
- Improved Debate Experience
- Mobile App



### **Education Plan Preview**

2020 will be a presidential election year and therefore Arizona will conduct its Presidential Preference Election in addition to its regular primary and general. The Commission will develop and host detailed information pertaining to all of these elections to better assist the electorate!

### 2019 Election Cycle ~ Candidate Information

Candidates could begin collecting \$5 qualifying contributions on August 1, 2019, the start of the qualifying period. Candidates must collect a minimum number of qualifying contributions, as referenced below;

Governor	Secretary of State	Attorney General	Treasurer	Supt. Of Public Inst.	Corporation Commission	Mine Inspector	Legislature
4,000	2,500	2,500	1,500	1,500	1,500	500	200

# Commissioners & Staff

## Commissioners\*

Chairman Damien R. Meyer (D)  
Maricopa County, AZ  
*Appointed 2015*

Steve M. Titla (D)  
Gila County, AZ  
*Appointed 2013*

Mark Kimble (I)  
Pima County, AZ  
*Appointed 2015*

Galen D. Paton (R)  
Pima County, AZ  
*Appointed 2016*

Amy B. Chan (R)  
Maricopa County, AZ  
*Appointed 2017*

## Commission Staff

Thomas M. Collins, Executive Director  
Sara A. Larsen, Fin. Affairs & Comp. Officer  
Gina Roberts, Voter Education Director  
Mike Becker, Policy Director  
Paula Thomas, Executive Officer  
Alec Shaffer, Web Content Manager  
Stephanie Cooper, Exec. Support Specialist  
Fanessa Salazar, Administrative Assistant

## Commission Structure & Mission

The Citizens Clean Elections Commission was established by the enactment of the Citizens Clean Elections Act, A.R.S., Title 16, Chapter 6, Article 2. In addition to administering the provisions of Article 2, the Commission promulgates rules and enforces A.R.S. §§ 16-940 through 16-961.

The Commission's mission is to fairly, faithfully and fully implement and administer the Citizens Clean Elections Act.

The Citizens Clean Elections Commission consists of five members. All members must be registered to vote in the State of Arizona. No more than two members of the commission may be members of the same political party. No more than two members of the commission may be residents of the same county.

\*Commissioners listed are for the 2018 calendar year.

# Commissioner Biographies

## **Mark Kimble – Independent – Pima County**

Senate Democratic Leader Katie Hobbs appointed Mark Kimble, an Independent, to the Citizens Clean Elections Commission in July 2015. Mark was a longtime journalist in Southern Arizona. After graduating from the University of Arizona with a bachelor's degree in journalism, Mark worked for the Associated Press and then for the Tucson Citizen newspaper. During a 35-year career at the Citizen, he was a reporter, city editor, assistant managing editor and associate editor-columnist in charge of the editorial page. When the Citizen closed in 2009, Mark went to work as senior press advisor and later as communications director for Congresswoman Gabrielle Giffords. When she resigned in 2012, Mark became communications director for her successor, Congressman Ron Barber. Mark and his wife, Jennifer Boice, live in Tucson.

## **Damien R. Meyer – Democrat – Maricopa County**

Former Governor Jan Brewer appointed Damien R. Meyer to the Citizens Clean Elections Commission to serve a term ending January 31, 2019. Damien R. Meyer is an experienced commercial litigation attorney. Damien has extensive experience in representing both individuals and businesses including banks, contractors, landlords, real estate developers, aviation companies, entrepreneurs, and health care companies in all areas of their business including contractual analysis and disputes, collection and payment disputes, commercial tort liability, provisional remedies and negotiation of pre-litigation disputes to avoid formal litigation. He also has extensive experience in representing clients in formal litigation in Arizona State and Federal courts, the Arizona Court of Appeals, in private arbitrations and before several state administrative agencies. Mr. Meyer, his wife and two children currently reside in Phoenix.

# Commissioner Biographies

## **Steve M. Titla – Democrat - Gila County**

Former Senate Democratic Leader Leah Landrum Taylor appointed Steve M. Titla in July 2013 to the Citizens Clean Elections Commission. Mr. Titla is a partner in the Titla & Parsi law firm and is admitted to practice law both in Arizona and on the San Carlos Apache Reservation. The firm represents the San Carlos Apache Tribe as special counsel and has also served as legal counsel for the election boards of the San Carlos Apache and San Juan Southern Paiute Tribes. Previously, Mr. Titla was an attorney with the Navajo Nation Department of Justice and has served as president of the National Native American Bar Association. In addition to a B.S. and J.D. from Arizona State University, Mr. Titla earned an M.B.A. from the University of Phoenix. From 1974-76 Mr. Titla served in the U.S. Marine Corps, leaving with an honorable discharge. He also served in the Arizona National Guard until his honorable discharge in 1980. Mr. Titla's term on the Citizens Clean Elections Commission expires in January of 2018.

## **Galen D. Paton – Republican – Pima County**

Governor Doug Ducey appointed Galen D. Paton, a Republican, to the Citizens Clean Elections Commission for a 5-year term expiring January 31, 2021. Commissioner Paton obtained his Master of Arts in Physical Education from the Southern Methodist University in Dallas, Texas. He has had a long and rewarding career coaching high school and college softball, volleyball and basketball teams in the southwest. In 2005, he led Sabino High School to the Arizona 4A State Championship and a No. 4 ranking in the country. The Arizona Coaches Association along with the National Fastpitch Coaches Association crowned Mr. Paton 2005 coach of the year. Mr. Paton retired from coaching in 2010 and is a current member of the Realty Executives Tucson Elite group. He resides in Tucson with his wife.

# Commissioner Biographies

### **Amy B. Chan - Republican - Maricopa County**

Senate Democratic Leader Katie Hobbs appointed Amy B. Chan, a Republican, to the Citizens Clean Elections Commission for a 5-year term expiring January 31, 2022.

Amy B. Chan was admitted to the State Bar in 1999. Initially she worked as an immigration attorney, helping people obtain immigration benefits through the administrative and immigration court process. In 2001 she began work as a legislative research analyst for the House Judiciary Committee. She was an Administrative Law Judge for the Corporation Commission from 2005-2006 and then returned to the legislature as Policy Advisor and Counsel to the Majority for the State Senate. In 2009 Secretary of State Ken Bennett appointed her State Election Director. She served in that capacity until 2013, when she left to spend more time with her growing family. She and her husband Keith have two sons and live in Phoenix.





Citizens Clean Elections Commission  
1616 W. Adams St., Suite 110  
Phoenix, Arizona 85007  
Telephone: 602-364-3477  
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E-mail: [ccec@azcleanelections.gov](mailto:ccec@azcleanelections.gov)  
[azcleanelections.gov](http://azcleanelections.gov)

**Doug Ducey**  
Governor

**Thomas M. Collins**  
Executive Director



**Mark S. Kimble**  
Chair

**Damien R. Meyer**  
**Steve M. Titla**  
**Galen D. Paton**  
**Amy B. Chan**  
Commissioners

**State of Arizona**  
**Citizens Clean Elections Commission**

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - [www.azcleanelections.gov](http://www.azcleanelections.gov)

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***MEMORANDUM***

**From:** Mike Becker, Policy Director

**Date:** January 31, 2019

**Subject:** Primary Audit Findings Summary

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All Legislative participating candidates that did not advance to the general election were audited in 2018. All Statewide candidates, regardless of advancing to the general election, had a primary audit performed in 2018. The auditors reviewed candidates' bank statements, receipts and records, and campaign finance reports for the reporting period. There were no significant findings or the findings have been or are in the process of being addressed for the following candidates:

- A. Mark Manoil
- B. Kiana Sears
- C. Matthew Marquez
- D. Tonya MacBeth
- E. James O'Connor
- F. Katherine Hoffman
- G. Olivia Cajero-Bedford
- H. David Schapira
- I. Bill Pierce
- J. Lori Kilpatrick
- K. James Love
- L. Tara Phelps
- M. Nikki Lee
- N. Sandra Kennedy
- O. Pablo Correa
- P. Melinda "Mendy" Gomez
- Q. Bill Mundell
- R. Betty Villegas
- S. John Heep
- T. David Rothans
- U. Debbie Manuel
- V. Talonya Adams
- W. Bobby Wilson
- X. Alejandro Larios
- Y. LaDawn Stuben

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Mark Manoil  
Participating Candidate for  
State Treasurer  
Primary Election 2018**

**ITEM VI(A)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Mark Manoil (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Mark Manoil. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 4, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$27,811 limit for a state treasurer candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$1,460 limit for a state treasurer candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period with the following exception: the Candidate's Primary Recap Report listed an ending balance of \$948.74, however a refund of \$1,074.21 was returned to CCEC, resulting in an unreconciled variance of \$125.47.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's campaign finance reports during the periods reviewed.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

One in-kind contribution was reported in the Candidate's campaign finance reports during the periods under review, and based upon the supporting documentation tested, the value of the contribution appeared reasonable.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed six expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed six expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed six expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed six expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.



- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Kiana Sears  
Participating Candidate for  
Corporation Commissioner  
Primary Election 2018**

**ITEM VI(B)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Kiana Sears (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Kiana Sears. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 16, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$27,811 limit for a corporation commission candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$1,460 limit for a corporation commission candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:

- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed sixteen expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed sixteen expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed sixteen expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed sixteen expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

One of the sixteen expenditures we tested appeared to be for a joint expenditure, and it appeared that the amount paid represented the Candidate's proportionate share of the total cost.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.



**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Matthew Marquez  
Participating Candidate for  
State Senator - District 20  
Primary Election 2018**

**ITEM VI(C)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Matthew Marquez (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Matthew Marquez. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 4, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:

- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting periods and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed six expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed six expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed six expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed six expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Tonya MacBeth  
Participating Candidate for  
State Representative - District 15  
Primary Election 2018**

**ITEM VI(D)**





Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Tonya MacBeth (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Tonya MacBeth. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 29, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected one deposit (entire population) and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period, and we noted a remaining balance in the Campaign's bank account of \$4.04, however the Campaign finance report listed a \$0.00 balance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

One in-kind contribution was reported in the Candidate's campaign finance reports during the periods under review, and based upon the supporting documentation tested, the value of the contribution appeared reasonable.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed eight expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed eight expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed eight expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed eight expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**James O'Connor  
Participating Candidate for  
Corporation Commissioner  
Primary Election 2018**

**ITEM VI(E)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether James O'Connor (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of James O'Connor. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 20, 2018



## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$27,811 limit for a corporation commission candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$1,460 limit for a corporation commission candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports with the following exceptions:

(a) on July 20, 2018, \$1,000 was mistakenly transferred from the main Campaign bank account to a secondary Campaign savings account held at the same financial institution, and was subsequently transferred back the following day; however per Clean Elections guidelines section 16-948, "a participating candidate shall conduct all financial activity through a single campaign account of the candidate's campaign committee" (b) a withdrawal for \$11.86 on August 25, 2018 was determined to be for personal use, which was incorrectly charged to the Campaign's account. However, we also tested a deposit for \$11.86 which was a refund of the personal charge back to the Campaign account on the same day as the withdrawal.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period. We noted that both the Campaign's bank account and the Campaign finance report listed balances of \$0.00; however, there was a charge on the Campaign's August bank statement dated August 28, 2018 for \$118.34 to Peter Mains, Campaign treasurer, which was not listed in the Campaign finance reports.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions (entire population) reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed nine expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed nine expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed nine expenditures and agreed amounts to the Campaign account bank statements with one exception, a charge to Hopdoddy Burger Bar on July 13, 2018 was recorded on the Campaign finance reports for \$35.74, however the Campaign bank account listed the charge as \$37.41, resulting in a variance of \$1.67.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed nine expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Katherine Hoffman  
Participating Candidate for  
Superintendent of Public Instruction  
Primary Election 2018**

**ITEM VI (F)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Katherine Hoffman (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Katherine Hoffman. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 19, 2018



## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected one deposit (entire population) and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the Candidate's finance report.

**Finding**

We reviewed nine expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed nine expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed nine expenditures and agreed amounts to the campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed nine expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, a legal defense fund was established.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

The Committee established a legal defense fund in May 2018 after it was the subject of campaign finance complaints filed with the Commission and Secretary of State. The Committee's attorneys have kept a ledger of deposits into and payments made from the legal defense fund for legal services. This fund was maintained in a bank account separate from the Clean Elections Campaign account, and no Clean Elections funding was used towards the legal defense fund.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Olivia Cajero Bedford  
Participating Candidate for  
State Representative - District 3  
Primary Election 2018**

**ITEM VI(G)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Olivia Cajero Bedford (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Olivia Cajero Bedford. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 19, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.



- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected three deposits (entire population) and five withdrawals from the bank statements for the periods reviewed. We determined that one withdrawal for \$33.50 was for a personal charge incorrectly charged to the Campaign's account. We determined that one deposit was a return of the \$33.50 personal charge which was refunded the same day. All other items tested appear to be properly reflected in the Candidate's records and Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

One of the five expenditures tested was determined to be a joint expenditure, and represented the Candidate's proportionate share of the total cost.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**David Schapira  
Participating Candidate for  
Superintendent of Public Instruction  
Primary Election 2018**

**ITEM VI(H)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether David Schapira (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of David Schapira. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 15, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.



- (ii) Review bank statements for each of the months in the reporting period and perform the following:

- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports. There were no deposits on the bank statements during the periods under review.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed ten expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed ten expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed ten expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed ten expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Bill Pierce  
Participating Candidate for  
State Mine Inspector  
Primary Election 2018**

**ITEM VI(D)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Bill Pierce (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Bill Pierce. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 12, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$13,909 limit for a mine inspector candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$1,460 limit for a mine inspector candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the periods under review and perform the following:

- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.



- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed six expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed six expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed six expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed six expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Lori Kilpatrick  
Participating Candidate for  
State Senator - District 14  
Primary Election 2018**

**ITEM VI(J)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Lori Kilpatrick (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Lori Kilpatrick. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 8, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected four deposits (total population) and five withdrawals from the bank statements for the periods under review and determined that all deposits and four out of five withdrawals appeared to be properly recorded in the Candidate's Campaign finance reports. One withdrawal tested was not recorded on the Candidate's Campaign finance reports. The withdrawal was an \$85.00 radio advertisement charge to AZ Gun Show, dated 8/21/18.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period and the following exceptions were noted:

(a) Paypal deposit of \$4.70 dated 4/23/18 recorded on the Campaign finance reports as a \$5.00 contribution, resulted in a variance of \$0.30 on the Campaign finance reports, (b) refund of \$97.50 from Cheap Signs dated 6/15/18 was not recorded on the Campaign finance reports, (c) \$55.00 in various contributions listed in the Campaign finance reports were not reflected in the Campaign's bank statements, (d) three \$15.00 charges for bank fees for the months of July, August, and September 2018 were listed on the Campaign finance reports, but were not present on the Campaign's bank statements, (e) \$85.00 charge on 8/21/18 to the AZ Gun Show for radio advertisement was not reflected in the Campaign finance reports, and (f) charge for Facebook advertising included on the Campaign's bank statement dated 9/17/18 in the amount of \$42.45 was recorded on the Campaign finance reports in the amount of \$45.24, resulting in a variance of \$2.79. The net total of these discrepancies resulted in a variance of \$0.01.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for three early contributions (entire population) reported in the Candidate's campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts included on supporting invoices or other documentation to the Candidate's Campaign finance report, with one exception. The Candidate did not provide an invoice or other supporting documentation for an expenditure with the Citizens Business League dated 8/16/18 for \$1,000, therefore we were unable to determine if the amount agreed to the Candidate's finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report, with one exception. The Candidate did not provide an invoice or other supporting documentation for an expenditure with the Citizens Business League dated 8/16/18 for \$1,000, therefore we were unable to determine if the the name, address, and nature of goods or services agreed to the information reported in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.



- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes, with one exception. The Candidate did not provide an invoice or other supporting documentation for an expenditure with the Citizens Business League dated 8/16/18 for \$1,000, therefore we were unable to determine if the the name, address, and nature of goods or services agreed to the information reported in the Candidate's Campaign finance report.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**James Love  
Participating Candidate for  
State Senator - District 9  
Primary Election 2018**

**ITEM VI(K)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether James Love (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of James Love. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 9, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign Finance Reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports. There were no deposits on the bank statements during the period under review.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period. We noted that the amount of the refund submitted to the Commission per the bank statement was \$1,339.57, however the amount of the refund per the Campaign finance report was \$1,335.27, resulting in an unreconciled difference of \$4.30.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.



- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Tara Phelps  
Participating Candidate for  
State Representative - District 14  
Primary Election 2018**

**ITEM VI(L)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Tara Phelps (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Tara Phelps. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 5, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected three deposits (total population) and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for three early contributions (entire population) reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

We tested one in-kind contribution (entire population) and determined that the methodology utilized to value the contribution appeared reasonable.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.



**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Nikki Lee  
Participating Candidate for  
State Representative - District 10  
Primary Election 2018**

**ITEM VI(M)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Nikki Lee (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Nikki Lee. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

October 22, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports. There were no deposits on the bank statements during the period under review.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review which resulted in a variance of \$148. The Candidate was unable to determine the reason for the variance, but per Clean Elections guidelines returned the \$148 to the Commission.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

One of the expenditures was a joint expenditure, and the amount paid appeared to be the Candidate's proportionate share of the total cost.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Sandra Kennedy  
Participating Candidate for  
Corporation Commissioner  
Primary Election 2018**

**ITEM VI(N)**





Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Sandra Kennedy (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Sandra Kennedy. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

October 22, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$27,811 limit for a corporation commission candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$1,460 limit for a corporation commission candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for four early contributions (entire population) reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

One of the five expenditures was determined to be a joint expenditure, and represented the Candidate's proportionate share of the total cost.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Pablo Correa  
Participating Candidate for  
State Representative - District 8  
Primary Election 2018**

**ITEM VI(O)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Pablo Correa (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Pablo Correa. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 26, 2018



## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Two contributions received during the periods under review were from the Candidate's family members, but were not recorded as personal contributions on the Campaign finance reports. Therefore, we were not able to determine if the Candidate was in compliance with the maximum personal contribution limit of \$740 for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period with the following exceptions:

(a) the Candidate's Campaign finance reports reported a remaining balance of \$147.63, but the Campaign bank account reported a \$0.00 balance, and (b) the Primary Recap Report listed a total outstanding debt of \$1,373.05, accumulated between April and June 2018, however no payments were made on the debt, and the Campaign bank account reported a \$0.00 balance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Melinda 'Mendy' Gomez  
Participating Candidate for  
State Senator - District 14  
Primary Election 2018**

**ITEM VI(P)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Melinda 'Mendy' Gomez (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Melinda 'Mendy' Gomez. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 6, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.



- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports, with one exception. One withdrawal for \$210.41 dated 7/16/18 did not appear to be properly recorded in the Campaign finance reports. The supporting documentation provided by the Candidate was a spreadsheet describing four charges occurring during the months of January through March, which totaled \$232.12, and a reimbursement check payable to the Candidate in the amount of \$232.01. However, that check was never cashed and was eventually voided. The replacement check, which was the withdrawal tested, was dated 7/16/18 and was for \$210.41. The difference between the check and the supporting documentation was \$21.71.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period and the following exceptions were noted:

(a) two invoices from Wix.com dated 7/14/18 for \$132.00 and 7/18/18 for \$9.90 were both paid for by check #13 in the amount of \$142.00 and resulted in an overpayment of \$0.10, (b) check #12 for \$60.00 made payable to Blue Door Sanctuary cleared on 8/31/18 but was not recorded in the Campaign finance reports, (c) disbursement to Blueberry Cafe for \$50.00 dated 7/22/18 did not appear on any bank statements, and per the Candidate was paid for with a personal check, but was never reimbursed by the Campaign, (d) the Candidate had \$343.12 remaining in the Campaign's bank account, however the Campaign finance report showed a \$0.00 balance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report, with two exceptions: (a) the Candidate was unable to provide any supporting invoices or other documentation for a disbursement to Blueberry Cafe for \$50.00 dated 7/22/18, (b) an expenditure for \$210.41 dated 7/16/18 did not agree to the supporting documentation provided, which was a spreadsheet describing four charges occurring during the months of January through March, which totaled \$232.12, and a reimbursement check payable to the Candidate in the amount of \$232.01. That check was never cashed and eventually was voided. The subsequent replacement check for \$210.41 did not agree to the original amount of the charges or the original reimbursement check.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report, with 2 exceptions: (a) the Candidate was unable to provide any supporting invoices or other documentation for a disbursement to Blueberry Cafe for \$50.00 dated 7/22/18, (b) the supporting documentation provided by the Candidate did not properly identify the name, address, and nature of goods and services of an expenditure for \$210.41 dated 7/16/18.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements with one exception. A disbursement to Blueberry Cafe for \$50.00 dated 7/22/18, did not appear on any Campaign account bank statement.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that they appeared to have been made for direct campaign purposes, with two exceptions: (a) the Candidate was unable to provide any supporting invoices or other documentation for a disbursement to Blueberry Cafe for \$50.00 dated 7/22/18 so we were unable to determine if the expenditure was made for direct campaign purposes, (b) an expenditure for \$210.41 dated 7/16/18 did not agree to the supporting documentation provided, which was a spreadsheet describing four charges occurring during the months of January through March which totaled \$232.12, and a reimbursement check payable to the Candidate in the amount of \$232.01. That check was never cashed and was eventually voided. The subsequent check for \$210.41 did not match the original amount of the charges or the original reimbursement check, therefore we were unable to determine if the expenditure was made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

Two of the expenditures tested did not have adequate supporting documentation and we were unable to determine if either of those expenditures were joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Bill Mundell  
Participating Candidate for  
Corporation Commissioner  
Primary Election 2018**

**ITEM VI(Q)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Bill Mundell (the Candidate) Campaign Finance Reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Bill Mundell. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 19, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$27,811 limit for a corporation commission candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods reviewed did not exceed the \$1,460 limit for a corporation commission candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.



- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period, and we noted a remaining balance in the Campaign's bank account of \$58.89, however the Campaign finance report listed a \$0.00 balance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods reviewed.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods reviewed.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed six expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed six expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed six expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed six expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Betty Villegas  
Participating Candidate for  
State Senator - District 3  
Primary Election 2018**

**ITEM VI(R)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Betty Villegas (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Betty Villegas. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 8, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

No contributions were received during the periods under review.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

No contributions were received during the periods under review.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.



- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected one deposit (entire population) and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period. Per review of the Campaign's September bank statement, we noted bank fees of \$16, but the Campaign finance report listed an expenditure of \$12 for bank fees, causing a \$4 unreconciled variance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods reviewed.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed six expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed six expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed six expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed six expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**John Heep  
Participating Candidate for  
State Representative - District 22  
Primary Election 2018**

**ITEM VI(S)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether John Heep (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of John Heep. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

November 9, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for one early contribution (entire population) reported in the Candidate's Campaign finance report, and determined the name of the contributor for the contribution was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.



- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures, and determined that four of the five appeared to have been made for direct campaign purposes. One expenditure was for storage fees through May 31, 2020 to store signs which are to be used in the 2020 election. This expenditure does not appear to be a direct campaign purpose relating to the 2018 Primary Campaign.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**David Rothans  
Participating Candidate for  
State Representative - District 12  
Primary Election 2018**

**ITEM VI(T)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether David Rothans (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of David Rothans. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 7, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) No contributions were received during the periods under review.

#### **Finding**

The contributions received during the periods reviewed appeared to be only from individuals.

- (ii) No contributions were received during the periods under review.

#### **Finding**

Contributions received from individuals during the periods reviewed did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

No contributions were received during the periods under review.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
  - Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports. There were no deposits noted during the periods under review.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period with the following exceptions; after the refund to CCEC of \$811.27, the Campaign bank account appeared to have an ending balance of \$20.17. The Campaign finance reports listed remaining funds of \$75.32, however the refund to CCEC of \$811.27 was not recorded in the Campaign finance reports, and altogether these three items resulted in an unreconciled variance of \$866.42.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

No contributions were received during the periods under review.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:
  - (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed nine expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report with the following exceptions: for five out of nine expenditures tested which totaled \$373.13, no invoice or other documentation was provided to support the amount reported in the Candidate's finance report; the only information provided was a copy of the Campaign's bank account activity.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed nine expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report with the following exceptions:

(a) for five out of nine expenditures tested, no invoice or other documentation was provided to support the name, address and nature of goods or services reported in the Candidate's finance report; the only information provided was a copy of the Campaign's bank account activity, (b) for one out of nine expenditures tested, the name listed on the Campaign finance report did not agree to the payee on the copy of the Candidate's check, (c) for two out of nine expenditures tested, the Candidate failed to provide sufficient support to properly document mileage reimbursement as required per Article Arizona Administration Code, Title 2, Chapter 20, Article 7. "R2-20-702. *Use of Campaign Funds: G. Transportation expenses. 2. If a participating candidate travels for campaign purposes in a privately owned automobile, the candidate may: a. Use campaign funds to reimburse the owner of the automobile at a rate not to exceed the state mileage reimbursement rate in which event the reimbursement shall be considered a direct campaign expense and shall be reported as an expenditure and reported in the reporting period in which the expenditure was incurred. If a candidate chooses to use campaign funds to reimburse, the candidate shall keep an itinerary of the trip, including name and type of events(s) attended, miles traveled and the rate at which the reimbursement was made. This subsection applies to candidate owned automobiles in addition to any other automobile.*" In addition to the exceptions listed above, for seven of the nine expenditures tested, the Candidate listed the charge as "Miscellaneous - Other" on the Campaign's finance reports, which did not appear to be an adequate classification of the expenditures.



- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed nine expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes with the following exceptions:

(a) for five out of nine expenditures tested, no invoice or other documentation was provided to determine if the charge was made for direct campaign purposes; the only information provided was a copy of the Campaign's bank account activity, (b) for one out of nine expenditures tested, the name listed on the Campaign's finance report did not agree to the payee on the copy of the Candidate's check, (c) for two out of nine expenditures tested, the Candidate failed to provide sufficient support to properly document mileage reimbursement as required per Article Arizona Administration Code, Title 2, Chapter 20, Article 7. as described in the previous finding.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures however, for five out of nine expenditures tested, no invoice or other documentation was provided to determine if the expenditure should be classified as a joint expenditure; the only information provided was a copy of the Campaign's bank account activity.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Debbie Manuel  
Participating Candidate for  
State Senator - District 26  
Primary Election 2018**

**ITEM VI(U)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Debbie Manuel (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Debbie Manuel. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 11, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods reviewed and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period with the following exceptions:

(a) we noted a remaining balance in the Campaign's bank account of \$0.00, however the Campaign finance report listed a \$0.76 balance, (b) the Campaign's bank account listed a withdrawal on 10/29/18 of \$60.00, however there was no corresponding expense listed on the Campaign's finance report.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for three early contributions (entire population) reported in the Candidate's campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's campaign finance reports during the periods reviewed.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.



- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods reviewed.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a petty cash fund during the periods reviewed.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods reviewed.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods reviewed.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Talonya Adams  
Participating Candidate for  
State Representative - District 27  
Primary Election 2018**

**ITEM VI(V)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Talonya Adams (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Talonya Adams. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

January 15, 2019

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period with the following exceptions:

(a) the ending cash balance listed on the Primary Recap Report was \$5,493.48 and the Campaign's August 2018 bank statement listed an ending balance of \$7,377.14, causing an unreconciled variance of \$1,883.66, (b) the Candidate did not disburse the Campaign's unspent funds, or remit them back to CCEC within 5 days of the primary election as described in the Arizona Citizens Clean Elections Guide, (c) the Candidate's Campaign final finance reports reported an outstanding loan balance of \$500.00 which had not been repaid as of the date of fieldwork, (d) after the primary campaign period had ended, the Candidate continued to disburse funds that were detailed in the Campaign account bank statements. The amounts of charges listed on the Campaign account bank statements were as follows: September 2018 - \$1,560.26, October 2018 - \$1,457.86, November 2018 - \$2,875.89.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for one early contributions (entire population) reported in the Candidate's campaign finance report, and determined the name of the contributor for the contribution was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed twelve expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed twelve expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed twelve expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed twelve expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under reviewed.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate provided responses as attached below. We did not apply any procedures to the Candidate's responses and, accordingly, we are not reporting on them.



## Adams for Arizona Informal Response to Draft Audit

### 2. Fieldwork Procedures

#### Section 2(c)(ii):

(b) the Candidate did not send the Campaign's unspent funds back to CCEC within 5 days of the primary election as described in the Arizona Citizens Clean Elections Guide,

*Adams for Arizona Response: Please correct this finding, the candidate notified Clean Elections Commission in September 2018 to discussion outstanding unpaid bills and digital conversions that required payment. Upon final reconciliation, there were no unspent monies from the campaign. This question of spent versus unspent funds was never asked or discussed with the auditor.*

(c) the Candidate's Campaign final finance reports reported an outstanding loan balance of \$500.00 which had not been repaid,

*Adams for Arizona Response: Please correct this statement, the outstanding loan balance of \$500 has been repaid to the candidate. Clean Elections and the contract auditor was notified of this repayment.*

(d) after the primary campaign period had ended, the Candidate continued to incur charges that were detailed in the Campaign account bank statements.

*Adams for Arizona Response: Please correct this erroneous statement: after the primary campaign period had ended, the Candidate incurred charges relating to primary campaign services and products contracted for pre-primary and mandatory campaign compliance charges relating to sign removal, auditor responses and transitional digital services.*

The amounts of charges listed on the Campaign account bank statements were as follows: September 2018 - \$1,560.26, October 2018 - \$1,457.86, November 2018 - \$2,875.89.

*The amount of deductions to the Campaign account bank statements to pay campaign bills were as stated above, the stated monthly amount were not incurred post-August 28, 2018, as indicated in the draft report.*

## Adams for Arizona Informal Response to Draft Audit

### Section 2(h)

Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

### Finding

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

*Adams for Arizona Response: Please correct this statement and grant interview to discuss errors in the draft report. As of January 4, 2019, Contractor's firm or direct auditor has had contact, and interview or conference with candidate (or candidate's representative—non-applicable) to discuss the preliminary findings and recommendations that the Contractor anticipates presenting to the CCEC has been made. Further, the Contractor has notified candidate of no such right to respond to the preliminary findings, or of a projected timetable for the issuance of the final issuance of the report has been disclosed.*

*Candidate has had contact with the CCEC regarding the draft audit, after the draft audit was presented to the CCEC.*

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Bobby Wilson  
Participating Candidate for  
State Senator - District No. 2  
Primary Election 2018**

**ITEM VI(W)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Bobby Wilson (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Bobby Wilson. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

October 23, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected two deposits (entire population) and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the periods under review and no exceptions were noted.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for two early contributions (entire population) reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures, and noted that one expenditure did not agree to the Campaign account bank statement. The expenditure was reported as \$75.00 on the Campaign finance report, but the Campaign account bank statement listed the expenditure as \$77.70. The other four expenditures tested agreed without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.



**Finding**

Based on inquiry of the Candidate, the Candidate established a petty cash fund and reflected expenditures from this fund as other expenses in the accounting records. The aggregate petty cash funds did not exceed the Campaign's limit of \$1,460.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

None of the petty cash expenditures occurred during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not established a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Alejandro Larios  
Participating Candidate for  
State Representative - District 30  
Primary Election 2018**

**ITEM VI(X)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Alejandro Larios (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of Alejandro Larios. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 10, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods reviewed appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period, and we noted a remaining balance in the Campaign finance report of \$164.69, however the Campaign's bank account listed a \$0.00 balance.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed seven expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed seven expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed seven expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed seven expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.



**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**LaDawn Stuben  
Participating Candidate for  
State Representative - District 18  
Primary Election 2018**

**ITEM VI(Y)**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether LaDawn Stuben (the Candidate) Campaign finance reports for both the Pre-Primary (July 1, 2018 to August 11, 2018) and the Post-Primary (August 22, 2018 to August 28, 2018) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign finance reports. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The summary of procedures and associated findings are presented on the subsequent pages.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pre-Primary and Post-Primary Campaign finance reports of LaDawn Stuben. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

December 5, 2018

## **Summary of Procedures and Findings**

### 1. Preliminary Procedures

- a) Commission Staff will obtain a copy of the candidate's campaign finance report for the reporting period and provide the records to the Contractor.

#### **Finding**

We obtained both the Pre-Primary (July 1, 2018 to August 11, 2018) and Post-Primary (August 22, 2018 to August 28, 2018) Campaign finance reports from the Arizona Secretary of State's Website.

- b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:
  - (i) Determine whether the candidate accepted contributions only from individuals.

#### **Finding**

The contributions received during the periods under review appeared to be only from individuals.

- (ii) Determine whether any contributions received from individuals exceed the early contribution limit.

#### **Finding**

Contributions received from individuals during the periods under review did not exceed the \$160 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

#### **Finding**

Early contributions received during the periods under review did not exceed the \$4,345 limit for a legislative candidate.

- (iv) Check compliance with the maximum personal contribution limits.

#### **Finding**

Personal contributions received during the periods under review did not exceed the \$740 limit for a legislative candidate.

- c). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

#### **Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice of primary audit selection to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) Commission staff will provide the records to the Contractor upon receipt. The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements for each of the months in the reporting period and perform the following:
- Select a sample of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five deposits and five withdrawals from the bank statements for the periods under review and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports.

- Perform a proof of receipts and disbursements for the reporting period.

**Finding**

Proof of receipts and disbursements was performed for the reporting period. The Campaign bank account was assessed an overdraft fee of \$38, which resulted in a negative balance of \$19.93 at September 30, 2018. The Campaign finance reports failed to include the overdraft fee, but instead listed an ending balance of \$0.00.

- d) Judgmentally select a sample of early contributions reported in the candidate's campaign finance report and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$50, which reflects the contributor's address, occupation and employer.

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's Campaign finance report, and determined the name of the contributors for the contributions was included on the support. For individuals who contributed over \$50, we determined that the contributor's address, occupation, and employer were also included on the support.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the periods under review.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the periods under review.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenses for selected candidates, and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

None of the expenditures we tested appeared to be for joint expenditures.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,460.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- (i) If applicable, judgmentally select a sample of expenditures made from the candidate's petty cash fund(s) and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$160 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods under review.

- g) Determine whether a legal defense fund has been established.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- (i) If a legal defense fund was established, how was it accounted for?

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a legal defense fund during the periods under review.

- h) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We discussed our findings with the Candidate and the Candidate did not provide responses to our findings.

***Commission Meeting Dates  
Proposed February - June 2019***

<b>Month</b>	<b><i>Date</i></b>	<b><i>State Holiday – Office Closed</i></b>
<b>February</b>	<b><i>28<sup>th</sup></i></b>	<i>President's Day, Feb 18<sup>th</sup></i>
<b>March</b>	<b><i>28<sup>th</sup></i></b>	
<b>April</b>	<b><i>25<sup>th</sup></i></b>	
<b>May</b>	<b><i>30<sup>th</sup></i></b>	<i>Memorial Day, May 27<sup>th</sup></i>
<b>June</b>	<b><i>20<sup>th</sup></i></b>	



During the months of February – June 2019, staff estimates commission meetings will be held once a month. All meeting dates are on Thursday and scheduled to begin at 9:30 a.m.

In the event additional meetings are required, Staff will work individually with each Commissioner to determine availability and ensure we have a quorum for the meeting.

**ITEM VII**



**BEUS GILBERT**  
**PLLC**

**ATTORNEYS AT LAW**

701 NORTH 44TH STREET  
PHOENIX, ARIZONA 85008-6504  
FAX (480) 429-3111

Rodney B. Glassman, JD, PhD  
DIRECT (480) 429-3036

E-MAIL: RGLASSMAN@BEUSGILBERT.COM

October 26, 2018

Thomas Collins  
Executive Director  
Arizona Citizens Clean Elections Commission  
1616 W. Adams Street, #110  
Phoenix, Arizona 85007  
[Thomas.Collins@azcanelections.gov](mailto:Thomas.Collins@azcanelections.gov)

Re: **Complaint Against CHISPA AZ, PAC**

Dear Director Collins:

I write today to file a complaint with the Arizona Clean Elections Commission ("CCEC") regarding unreported independent expenditures made by the CHISPA AZ, PAC ("CAP"). CAP violated A.R.S. §§ 19-141, 19-158, and A.A.C. § R2-109(B) by making independent expenditures without filing a report with CCEC.

Specifically, beginning on or about October 17, 2018, CAP sponsored digital ads, radio, and television advertisements to Arizona voters advocating in favor of Democrat candidates Sandra Kennedy and Kiana Sears for Corporation Commission. The expenditure commitment and allocation were outlined in the Arizona Capitol Times article date October 17, 2018, "Conservation group to spend \$2.8 Million to sway Corp Comm vote."

Digital Advertisement

<https://www.youtube.com/watch?v=m9leejvnEQM>

Television Commercial:

<https://www.youtube.com/watch?v=vZBkn6K495c>

CAP did not report these expenditures to CCEC by October 25, 2018, and thus is in clear violation of governing law.

I trust that you will conduct a thorough investigation, and that CCEC will impose civil penalties against CAP as authorized by Arizona law. Please feel free to contact me if you require any further information.

Thomas Collins  
October 26, 2018  
Page 2

Sincerely,

**BEUS GILBERT PLLC**

Rodney Glassman

Rodney Glassman

cc: Eric Spencer, State Elections Director, Arizona Secretary of State- [espencer@azsos.gov](mailto:espencer@azsos.gov)

Rodney Glassman

Rodney Glassman

STATE OF ARIZONA )  
 ) ss:  
County of Maricopa )

On October 26th, 2018, before me, the undersigned Notary Public personally appeared **Rodney Glassman**, personally known to me or proved to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument is/are the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

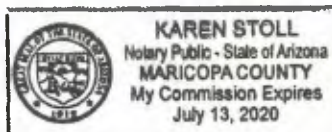
WITNESS my hand and official seal.

Karen Stoll

Notary Public

My Commission Expires:

7-13-2020





October 30, 2018

Arizona Citizens Clean Elections Commission  
Attn: Thomas Collins, Executive Director  
1616 West Adams Street, Suite 110  
Phoenix, Arizona 85007  
[Thomas.Collins@azcleelections.gov](mailto:Thomas.Collins@azcleelections.gov)

**Re: Violations of Independent Expenditure Reporting Requirements by Chispa AZ PAC**

Dear Director Collins:

I write on behalf of the Public Integrity Alliance in support of the complaint filed on October 26, 2018 by Rodney Glassman, alleging that Chispa AZ PAC (the "Committee") failed to properly and timely disclose independent expenditures in support of the Democratic candidates for the office of Corporation Commissioner in the November 6, 2018 general election, in violation of Ariz. Rev. Stat. §§ 16-941(D), -958(A) and Ariz. Admin. Code R2-20-109.

Upon learning of Mr. Glassman's complaint, the Committee belatedly disclosed to the Commission over \$3.7 million in independent expenditures,<sup>1</sup> arguing that the Commission should excuse its chronic delinquencies because (a) the infractions were "self-reported;" and (b) the transactions allegedly had been previously disclosed under the name of the League of Conservation Voters, a separate entity that bears no discernible legal relationship to the Committee.

Commission regulations prescribe a penalty of \$450 per day for dilatory disclosures of independent expenditures in connection with elections for statewide offices, up to a maximum of twice the amount of the unreported transactions. See Ariz. Rev. Stat. §§ 16-942(B), -959; Ariz. Admin. Code R2-20-109(B)(2). Notably, however, the per diem penalty is doubled to \$900 when,

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<sup>1</sup> Because it appears that the Committee may have itemized expenditures made in support of more than one candidate multiple times, the precise total of unique expenditures remains unclear.

Commission

October 30, 2018

as here, the unreported expenditures total at least 10% of the applicable general election spending limit, which is \$163,169 for Corporation Commission candidates who are participating in the Commission's public financing program in the 2018 election cycle. See Ariz. Rev. Stat. §§ 16-961(G), (H), -959; Ariz. Admin. Code R2-20-109(B)(2)(c).<sup>2</sup> Neither the regulation nor the predicate statutes license any dispensations from these fixed penalties. Violations of campaign finance laws are effectively strict liability offenses; a respondent's assertions of good faith or other benign subjective intentions do not absolve acknowledged non-compliance.

Further, the Committee's characterization of its violations as "self-reported" is dubious, at best. While its delinquent reports appear to contain some smaller disbursements that were not specifically cited by Mr. Glassman, the undisputed impetus for these belated disclosures was Mr. Glassman's complaint, which alerted the Commission to the Committee's substantial expenditures for unreported television and digital advertisements. Indeed, while the reports do not identify specific communications associated with particular expenditures, the Committee's single-largest expenditure, which totaled over \$1.37 million, presumably financed the television advertisement referenced in the complaint.

That the expenditures may have been previously reported under the name of the League of Conservation Voters likewise does nothing to ameliorate—and actually amplified—the informational injury to the general public. At best, voters wishing to exercise their statutory right to acquire data concerning the Committee's independent expenditure activities were unable to locate and access such information; at worst, they were affirmatively misled into believing that the League of Conservation Voters made independent expenditures that in fact were attributable solely to the Committee.

Even if the Commission is persuaded that some mitigation of penalties is warranted, the mandates of the Clean Elections Act—compounded with foundational maxims of fairness and consistency in enforcement—compel the imposition of at least some substantial fine. While the Clean Elections Act does authorize the Commission to effectuate "administrative settlements" with respondents or to prescribe a reduction of penalties, see Ariz. Rev. Stat. § 16-957(A), (B), nothing in the Act countenances amnesty for acknowledged violations, especially those entailing multimillion-dollar sums of unreported expenditures.

Indeed, in a pair of 2016 enforcement proceedings featuring strikingly similar facts—*i.e.*, corrective action by the respondents that included the self-reporting of additional expenditures not identified in the complaints—but much smaller amounts of undisclosed disbursements

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<sup>2</sup> Both of the candidates whose election the Committee advocated through its unreported expenditures, Sandra Kennedy and Kiana Sears, are participating candidates.

Letter to the Arizona Citizens Clean Elections

Commission

October 30, 2018

(approximately \$70,000 by each respondent), the Commission insisted upon conciliation and the assessment of significant (albeit reduced) penalties. See MUR16-007 (In re Senate Victory PAC); MUR16-008 (In re House Victory PAC). Given the Commission's purported fidelity to the nonpartisan administration of the law, I trust that it will hold left-wing enterprises such as the Committee to the same stringent standard of compliance it has demanded of conservative organizations in the past.

Thank you for your attention to this important matter.

Respectfully,

PUBLIC INTEGRITY ALLIANCE, INC.

By:

  
Tyler Montague  
President

November 6, 2018

*Via Email & Hand Delivery*

Thomas Collins, Executive Director  
Citizens Clean Elections Commission  
1616 W Adams, Suite 110  
Phoenix, Arizona 85007

***Re: CCEC MUR #18-16 & Self-Reported Violation***

Mr. Collins:

This letter responds to the October 29, 2018 request for a response in MUR #18-16. There is no dispute over the events that gave rise to an error in reporting. Respondent Chispa AZ PAC has already corrected the relevant report—notably prior to any notification of a pending complaint. Finally, there exists significant mitigation for the Commission to consider in assessing any fine in this matter. Thus, Respondent urges “the commission [to] publish[] findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty.” A.R.S. § 16-957(B).

### **Factual Background**

Chispa AZ PAC is an Arizona Political Action Committee (the “Committee”), Committee Number 2018-00470. The League of Conservation Voters, Inc. (the “League”) is a 501(c)(4) organization registered in Arizona to make independent expenditures and ballot measure expenditures, Filer Identification Number 2018-00681. Chispa AZ is a program of the League. In March of 2018, the League formed the Committee, which uses the same campaign finance consultant as the League.

On October 23, 2018, the campaign finance consultant filed a trigger report capturing the independent expenditures that were the subject of the self-reported violation, which included expenditures cited within the MUR #18-16. (Attached as Exhibit A.) The consultant used the Secretary of State’s web-based system.

On Friday, October 26, 2018, the Committee received a press inquiry concerning the trigger report. Upon receiving the inquiry, the Committee discovered that the trigger report had been filed as if the League, rather than the Committee, had made the expenditures.

As counsel for both entities, the Torres Law Group (“TLG”) reached out to the Secretary of State’s Office and copied the Clean Elections Commission to (1) notify them of the mistake, and (2) request that the misattributed trigger report be attributed to the Committee, not the League. (Email Attached as Exhibit B.)

The Secretary of State’s Office informed the Committee that this was impossible. The Committee then attempted to report the expenditures from the proper entity—Chispa AZ PAC. However, the Committee is setup as a bulk-filer, and its third-party software unfortunately does not support filing a trigger report. Thus, pursuant to A.A.C. R2-20-109(a), the Committee filed the report directly to the Clean Election Commission’s website using the Commission’s PDF form. (Attached as Exhibit C.)

The same day as filing the report, October 26, 2018, the Committee notified the Commission and the Secretary that the error had been corrected and requested an opportunity to “discuss with the Commission what, if any, steps can be taken to enter into an agreement concerning this unintentional late filing of the trigger report for CHISPA AZ PAC.” (Email Attached as Exhibit D.)

On October 29, 2018, the Commission requested a response by Tuesday, November 6, 2018, from the Committee to Mr. Glassman’s complaint concerning issues already raised in the Committee’s self-reported violation.

### **Legal Analysis**

The Committee acknowledges that it failed to file a trigger report in a timely fashion. The Committee is interested in entering into a conciliation agreement with the Commission over this violation, and offers the following as mitigation:

- The violation was unintentional as indicated by the Committee’s consultant disclosing the information but in the name of the League, not the Committee.
- The Committee corrected the reporting error immediately upon discovery.
- The Committee corrected the violation prior to any contact from any state regulators—including any indication that a complaint had been filed.
- The filing error did not harm complainant Rodney Glassman in any way. He was aware that money was being spent supporting his opponents, including the magnitude of the expenditures based on the trigger report filed on October 23, 2018.
- The filing error also did not harm the complainant because the very article he cites in the complaint, which appeared on October 17, 2018, indicates that the Committee was planning to spend \$2.8 million and that the League was its major supporter.<sup>1</sup> What useful information could he derive from knowing

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<sup>1</sup> See <https://azcapitoltimes.com/news/2018/10/17/arizona-conservation-group-to-spend-2-8-m-to-sway-corp-comm-vote/>. Most recently viewed on 11/2/18. (“Chispa Arizona is launching a \$2.8 million television ad buy Thursday in its bid to get support for

whether these IEs were funded by the 501(c)(4) (the League) or the PAC (the Committee)?

- The filing error caused only an exceedingly slight harm to the public given that consultant disclosed the expenditures as coming from an entity affiliated with the Committee and that the duration of the error was only 3 days.

The Commission has also received a letter dated October 30, 2018 from the Public Integrity Alliance regarding this matter, which compares this case to that of MUR 16-007 and MUR 16-008. Those cases involved significantly different facts. In the current case, the Respondent's consultant filed the trigger report, but for the wrong entity. In the cited MURs, the respondents objected to the fact that they had to file trigger reports at all. In the current case, the Respondent filed the corrected report within hours of learning that the previously filed report were for the wrong entity. In the cited MURs, the respondents only filed their trigger reports "[i]n response to the Complaint and the Supplemental Complaint," and even then, only "under protest." (Conciliations Attached as Exhibit E.)

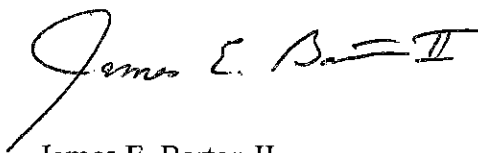
There is a similarity between the matters in that both experienced difficulty with the Secretary's software and its interface with trigger reporting—although in the instant case that was quickly resolved by using the option from Rule 109.

The Committee concedes that its expenditures are of a greater amount than those from the 2016 cases. But, the Committee's self-reporting of the issue, nearly immediate correction, and the fact that the information was, in fact, disclosed in a timely fashion mean the mitigation greatly outweighs any aggravation from the size of the expenditures.

### Conclusion

Respondent looks forward to the opportunity to work with the Commission to come to a fair resolution of this matter. Please contact me at your earliest convenience.

Sincerely,



James E. Barton II

CC: [espencer@azsos.gov](mailto:espencer@azsos.gov); [tjones@azsos.gov](mailto:tjones@azsos.gov)

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Democrats Sandra Kennedy and Kiana Sears. And the organization, an affiliate of the national League of Conservation Voters, also is planning some radio and Internet advertising aimed largely at the state's Latino community.") This article also refutes a comment made in the Public Integrity Alliance letter, referenced below, that the League "is a separate entity that bears no discernible legal relationship to the Committee."



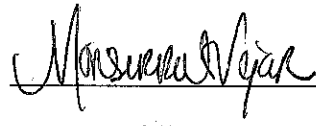
VERIFICATION

State of Arizona            )  
  )

County of Maricopa        )

Subscribed and sworn (or affirmed) before me this 6<sup>th</sup> day of November, 2018



  
\_\_\_\_\_  
Notary Public

# Exhibit A

# State of Arizona



## Campaign Finance Report

Phone: (202) 785-8683

Email: [patrick\\_collins@lcv.org](mailto:patrick_collins@lcv.org)

League of Conservation Voters Inc

Filer #: 201800681

### Independent Expenditure Report

#### 2018 On Demand Trigger Report

Election Cycle: 2017-2018

Date Filed: October 23, 2018

Reporting Period: November 9, 2016-October 23, 2018

Report ID: 195377

**201800681 League of Conservation Voters Inc****On Demand Trigger Report**

Covers 11/09/2016 to 10/23/2018

Transaction Date	Benefits or Opposes	Committee ID - Name	Amount
10/03/2018	Advocating Election		\$12,600.00
Category:	Communications - Flyers/handouts/door hangers		
10/03/2018	Advocating Election		\$12,600.00
Category:	Communications - Flyers/handouts/door hangers		
10/12/2018	Advocating Election		\$20,625.00
Category:	Professional Services - Polling/Research		
10/12/2018	Advocating Election		\$20,625.00
Category:	Professional Services - Polling/Research		
10/15/2018	Advocating Election		\$55.00
Category:	Communications - Other		
10/15/2018	Advocating Election		\$250.00
Category:	Communications - Newsletters		
10/15/2018	Advocating Election		\$55.00
Category:	Professional Services - Website/graphic design		
10/16/2018	Advocating Election		\$42,109.00
Category:	Communications - Radio		
10/16/2018	Advocating Election		\$371,908.00
Category:	Communications - TV		
10/16/2018	Advocating Election		\$42,109.00
Category:	Communications - Radio		
10/16/2018	Advocating Election		\$371,908.00
Category:	Communications - TV		
10/18/2018	Advocating Election		\$7,412.25
Category:	Communications - Production cost		
10/18/2018	Advocating Election		\$5,000.00
Category:	Communications - Production cost		
10/18/2018	Advocating Election		\$1,250.00
Category:	Communications - Production cost		
10/18/2018	Advocating Election		\$166,250.00
Category:	Communications - Other		

\* Indicates an expenditure that was reported on a previous report, but has been modified and appears here in its modified form.



**201800681 League of Conservation Voters Inc****On Demand Trigger Report**

Covers 11/09/2016 to 10/23/2018

**Amount**  
\$7,412.25**Transaction Date      Benefits or Opposes      Committee ID - Name**

10/18/2018	Advocating Election	
Category:	Communications - Production cost	
10/18/2018	Advocating Election	\$5,000.00
Category:	Communications - Production cost	
10/18/2018	Advocating Election	\$1,250.00
Category:	Communications - Production cost	
10/18/2018	Advocating Election	\$166,250.00
Category:	Communications - Advertising	
10/19/2018	Advocating Election	\$50.00
Category:	Communications - Mailings	
10/19/2018	Advocating Election	\$50.00
Category:	Communications - Other	
10/19/2018	Advocating Election	\$57,400.00
Category:	Communications - Other	
10/19/2018	Advocating Election	\$5,250.00
Category:	Communications - Production cost	
10/19/2018	Advocating Election	\$57,400.00
Category:	Communications - Other	
10/19/2018	Advocating Election	\$5,250.00
Category:	Communications - Production cost	
10/20/2018	Advocating Election	\$167,410.50
Category:	Communications - TV	
10/20/2018	Advocating Election	\$167,410.50
Category:	Communications - TV	
10/22/2018	Advocating Election	\$12,141.52
Category:	Communications - Production cost	
10/22/2018	Advocating Election	\$250.00
Category:	Communications - Advertising	
10/22/2018	Advocating Election	\$12,500.00
Category:	Communications - Other	

\* Indicates an expenditure that was reported on a previous report, but has been modified and appears here in its modified form.

201800681 League of Conservation Voters Inc

On Demand Trigger Report  
Covers 11/09/2016 to 10/23/2018

Transaction Date	Benefits or Opposes	Committee ID - Name	Amount
10/22/2018	Advocating Election Communications - Production cost		\$12,500.00
10/22/2018	Advocating Election Communications - Other		

\* Indicates an expenditure that was reported on a previous report, but has been modified and appears here in its modified form.

# Exhibit B

## Jim Barton

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**From:** Jim Barton  
**Sent:** Friday, October 26, 2018 1:18 PM  
**To:** 'Jones, Teresa'  
**Cc:** espencer@azsos.gov; Thomas Collins (Thomas.Collins@azcleelections.gov)  
**Subject:** LCV - CHISPA AZ PAC trigger reporting difficulties

Teresa,

The League of Conservation Voters has formed an Arizona political action committee called CHISPA AZ PAC. It has also registered as a corporation capable of making ballot measure expenditures and independent expenditures.

The League's Filer ID# is 201800681.

CHISPA AZ PAC's Committee No. is 201800470

On or shortly before the trigger report deadline of Tuesday, October 23, their campaign finance reporting vendor, Evans & Katz LLC, entered several independent expenditures in the Arizona Corporation Commissioner's race as having been made by the League (Filer ID No. 201800681), rather than CHISPA AZ PAC (Committee No. is 201800470).

Is there any way to reassign the report filed on 10/23 by the League to having come from the PAC?

Thanks,

James E. Barton II  
Torres Law Group, PLLC  
2239 W Baseline Road  
Tempe, AZ 85283  
[www.thetorresfirm.com](http://www.thetorresfirm.com)

480.588.6120 ext. 115  
602.616.0535 (cell)

**CONFIDENTIALITY NOTICE:** This message, including attachments, may be protected by the attorney-client privilege or the attorney work product doctrine. Clients: please do not forward it, or you may inadvertently waive attorney-client privilege. If you are not the intended recipient, please delete all copies of the transmission and attachments and advise the sender immediately



# Exhibit C



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: Chispa AZ PAC			
Address: 1943 W. Adams Street		City: Phoenix	State: AZ Zip: 85009
Telephone Number: (602) 258-0464		Fax Number:	
Name of Authorized Agent: Patrick Collins		Telephone Number: (202) 785-8683	E-mail Address: patrick_collins@lcv.org
Authorized Agent Address (if different from above): 740 15th St #700		City: Washington	State: DC Zip: 20005
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported / Opposed	
10/03/2018	\$12,600.00	Kiana Sears (support)	
10/12/2018	\$20,625.00	Kiana Sears (support)	
10/15/2018	\$55.00	Kiana Sears (support)	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D), -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the due date will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-941(D), -956, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@lcv.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>

Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed
10/16/2018	\$42,109.00	Kiana Sears (support)
10/16/2018	\$1,371,908.00	Kiana Sears (support)
10/18/2018	\$7,412.25	Kiana Sears (support)

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I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

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Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@lcv.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
10/18/2018	\$5,000.00	Kiana Sears (support)	
10/18/2018	\$1,250.00	Kiana Sears (support)	
10/18/2018	\$166,250.00	Kiana Sears (support)	

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07/20/2018



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I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief.

Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

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Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b>
Telephone Number: <b>(602) 258-0464</b>		Zip: <b>85009</b>	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick.collins@lcw.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b>
		Zip: <b>20005</b>	
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10/22/2018	\$12,500.00	Kiana Sears (support)	

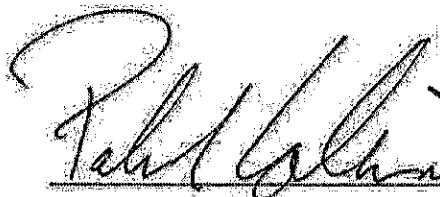
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Please contact [ceec@azcleanelections.gov](mailto:ceec@azcleanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
\_\_\_\_\_  
Signature of Authorized Agent

07/20/2018





**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§18-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@lcv.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 6/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
<b>10/22/2018</b>	<b>\$12,141.52</b>	<b>Kiana Sears (support)</b>	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 18-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the due date will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-941(D), -958, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick.collins@lcv.org</b>
Authorized Agent Address (If different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
10/03/2018	\$12,600.00	Sandra Kennedy (support)	
10/12/2018	\$20,625.00	Sandra Kennedy (support)	
10/15/2018	\$55.00	Sandra Kennedy (support)	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D), -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [ccc@azcanelections.gov](mailto:ccc@azcanelections.gov).

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Please contact [ccc@azcanelections.gov](mailto:ccc@azcanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

Signature of Authorized Agent

07/20/2018





**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-941(D), -958, -959, and A.A.C. R2-20-108(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@icv.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
10/15/2018	\$250.00	Sandra Kennedy (support)	
10/16/2018	\$42,109.00	Sandra Kennedy (support)	
10/16/2018	\$1,371,908.00	Sandra Kennedy (support)	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D), -958 & Ariz. Admin. Code R2-20-108(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [ccec@azccleanelections.org](mailto:ccec@azccleanelections.org).

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I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§18-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@lcv.org</b>
Authorized Agent Address (if different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 6/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
10/18/2018	\$7,412.25	Sandra Kennedy (support)	
10/18/2018	\$5,000.00	Sandra Kennedy (support)	
10/18/2018	\$1,250.00	Sandra Kennedy (support)	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 18-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [ccce@azcanelections.gov](mailto:ccce@azcanelections.gov).

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Please contact [ccce@azcanelections.gov](mailto:ccce@azcanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Puruant to A.R.S. §§ 16-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>	City: <b>Phoenix</b>	State: <b>AZ</b>	Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>	Fax Number:		
Name of Authorized Agent: <b>Patrick Collins</b>	Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@lcv.org</b>	
Authorized Agent Address (if different from above): <b>740 15th St #700</b>	City: <b>Washington</b>	State: <b>DC</b>	Zip: <b>20005</b>
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
<b>10/18/2018</b>	<b>\$166,250.00</b>	<b>Sandra Kennedy (support)</b>	
<b>10/19/2018</b>	<b>\$50.00</b>	<b>Sandra Kennedy (support)</b>	
<b>10/19/2018</b>	<b>\$57,400.00</b>	<b>Sandra Kennedy (support)</b>	

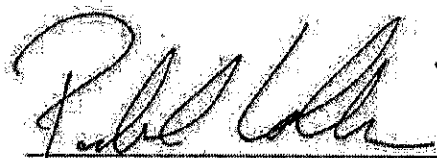
All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D), -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

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Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
\_\_\_\_\_  
Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-641(D), -656, -658, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: Chispa AZ PAC			
Address: 1943 W. Adams Street		City: Phoenix	State: AZ Zip: 85009
Telephone Number: (602) 258-0464		Fax Number:	
Name of Authorized Agent: Patrick Collins		Telephone Number: (202) 785-8683	E-mail Address: patrick_collins@icv.org
Authorized Agent Address (if different from above): 740 15th St #700		City: Washington	State: DC Zip: 20005
Date of Expenditure (i.e. 5/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
10/19/2018	\$5,250.00	Sandra Kennedy (support)	
10/20/2018	\$167,410.50	Sandra Kennedy (support)	
10/22/2018	\$12,141.52	Sandra Kennedy (support)	

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-641(D), -656 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cec@azcleanelections.gov](mailto:cec@azcleanelections.gov).

Forms received within 24 hours of the due date will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cec@azcleanelections.gov](mailto:cec@azcleanelections.gov) or 602-384-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
Signature of Authorized Agent

07/20/2018



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§ 16-841(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

Name: <b>Chispa AZ PAC</b>			
Address: <b>1943 W. Adams Street</b>		City: <b>Phoenix</b>	State: <b>AZ</b> Zip: <b>85009</b>
Telephone Number: <b>(602) 258-0464</b>		Fax Number:	
Name of Authorized Agent: <b>Patrick Collins</b>		Telephone Number: <b>(202) 785-8683</b>	E-mail Address: <b>patrick_collins@icv.org</b>
Authorized Agent Address (If different from above): <b>740 15th St #700</b>		City: <b>Washington</b>	State: <b>DC</b> Zip: <b>20005</b>
Date of Expenditure (i.e. 6/30/2018)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	
<b>10/22/2018</b>	<b>\$12,500.00</b>	<b>Sandra Kennedy (support)</b>	

**All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-841(D), -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [ccec@azcanelections.gov](mailto:ccec@azcanelections.gov).**

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Please contact [ccec@azcanelections.gov](mailto:ccec@azcanelections.gov) or 602-364-3477 with questions.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
\_\_\_\_\_  
Signature of Authorized Agent

07/20/2018

# Exhibit D

**Jim Barton**

---

**From:** Jim Barton  
**Sent:** Friday, October 26, 2018 4:54 PM  
**To:** ccec@azcleanelections.gov  
**Cc:** Thomas Collins (Thomas.Collins@azcleanelections.gov); 'Jones, Teresa';  
espencer@azsos.gov; 'Mike Becker'  
**Subject:** Chispa AZ PAC IE reporting  
**Attachments:** Chispa AZ PAC Trigger Report.pdf

All,

Attached are trigger reports for independent expenditures made by CHISPA AZ PAC through October 22.

The PAC recognizes that these reports are filed late. They are filed late because the PAC's vendor mistakenly filed them as have been made by League of Conservation Voters, a 501c4 non-profit that works closely with the PAC and uses the same vendor.

We are taking advantage of R2-20-109(a) and filing the pdf form because CHISPA AZ PAC is set up as a bulk-filer and our third-party vendor, NGP, does not have the capability to generate a trigger report for upload. We have asked for assistance from the vendor. In the meantime, we are taking advantage of the CCEC's system.

We would like to discuss with the Commission what, if any, steps can be taken to enter into an agreement concerning this unintentional late filing of the trigger reports for CHISPA AZ PAC. Obviously, we believe there is significant mitigation, including the fact that we are self-reporting and that a trigger report disclosing the expenditures was made by an associated entity.

Please feel free to contact me if you have any questions.

Yours,

James E. Barton II  
**Torres Law Group, PLLC**  
2239 W Baseline Road  
Tempe, AZ 85283  
[www.thetorresfirm.com](http://www.thetorresfirm.com)

480.588.6120 ext. 115  
602.616.0535 (cell)

**CONFIDENTIALITY NOTICE:** This message, including attachments, may be protected by the attorney-client privilege or the attorney work product doctrine. Clients: please do not forward it, or you may inadvertently waive attorney-client privilege. If you are not the intended recipient, please delete all copies of the transmission and attachments and advise the sender immediately

# Exhibit E



Approved 1-19-17

STATE OF ARIZONA  
CITIZENS CLEAN ELECTIONS COMMISSION

 ORIGINAL

In the Matter of:

House Victory PAC, Respondent

MUR No. 16-008

~~Proposed~~ CONCILIATION AGREEMENT

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission"), House Victory PAC (Respondent) enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

- A. House Victory PAC did not timely file certain reports required by the Commission related to spending on behalf certain candidates. See Exhibit A (Filings). The Commission finds that these failures demonstrate there is reason to believe Respondent may have committed a violation of the Citizens Clean Elections Act and Commission rules (collectively, the "Act").
- B. A.R.S. § 16-941(D) states that "any person who makes independent expenditures related to a particular office" in excess of certain amounts must report such expenditures to the Secretary of State. A.R.S. § 16-956(A)(7) provides that the Commission has authority to enforce the Act and Rules, to include the assessment of penalties that apply for failure to file reports.
- C. On November 2, 2016, the Commission received a Complaint regarding Respondent's failure to file a report required by A.R.S. § 16-941, -958. After receiving the Complaint the Commission Staff reviewed the Respondent's Campaign Finance Reports. Those

Conciliation Agreement - 1

ITEM VI <D>

1 reports indicated other independent expenditures that the Commission maintains  
2 should have been reported pursuant to the Act

3 D. In response to the Complaint and the Supplemental Complaint, Respondent has filed  
4 several reports under protest.

5 E. This Conciliation Agreement concludes the Commission's enforcement proceeding  
6 respecting the Complaint and additional reports that Respondent should have timely  
7 filed.

8 WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this  
9 matter:

10 1. The Commission has jurisdiction over persons subject to ARS 16-941(D) and 16-958,  
11 including political committees. Respondent disputes this jurisdiction, but avows that the  
12 Campaign Finance Reporting System did not prompt it to make any reports as called  
13 for in those statutes, and it had no knowledge of the Commission's efforts to provide  
14 alternative electronic means of filing.

15 2. Pursuant to A.R.S. §§ 16-941(D) and -958 any person who makes an independent  
16 expenditure above a threshold set forth in the Clean Elections Act must file reports  
17 required by the person and that under A.R.S. § 16-942(B) the statutory penalty for any  
18 reporting violation on behalf of a candidate is up to \$880 per day up to twice the value  
19 of the unreported amount. Respondent disputes that its expenditures were subject to  
20 the reporting requirements set forth in A.R.S. §§ 16-941(D) and -958 and disputes the  
21 Commission's authority under A.R.S. § 16-942(B) to assess any statutory penalty in  
22 connection with such expenditures.

23 3. Respondent agrees to settle this matter for \$2,500, in addition to the other provisions  
24 herein. This amount represents a mitigated fine based, in part, on the facts stated in  
25 paragraph 1.

26 4. To satisfy the debt amount acknowledged above, Respondent shall pay to the  
Commission \$2,500 by January 31st, 2017

- 1 5. All payments shall be made by check or money order payable to the Citizens Clean  
2 Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West  
3 Adams, Suite 110, Phoenix, Arizona, 85007.
- 4 6. ~~The Commission shall not commence any legal action against Respondent to collect~~  
5 the claims so long as they are not in default.
- 6 7. Respondent shall be in default of this Agreement upon the occurrence of any of the  
7 following:
  - 8 a. Respondent fails to make any payment required hereunder within five (5) working  
9 days following the date due;
  - 10 b. Respondent files a petition under the bankruptcy laws or any creditor of the  
11 Respondent files any petition under said laws against the Respondent;
  - 12 c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit  
13 or trustee sale) on real property of the Respondent or commences garnishment,  
14 attachment, levy or execution against the Respondent's property; or;
  - 15 d. Respondent provides false information to the Commission.
  - 16 e. Respondent fails to abide by any provision of this agreement.
- 17 8. In the event of default hereunder, at the option of the Commission, all unpaid amounts  
18 hereunder shall be immediately due and payable and the Commission may pursue  
19 additional penalties mitigated by this agreement. In addition, interest shall accrue on  
20 the unpaid balance from the date that the payments become due and payable. Interest  
21 shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).
- 22 9. Nothing contained in this Agreement shall be construed to prevent any state agency  
23 which issues licenses for any profession from requiring that the debt in issue be paid in  
24 full before said agency will issue Respondent a new license.
- 25 10. The Commission may waive any condition of default without waiving any other  
26 condition of default and without waiving its rights to full, timely future performance of  
the conditions waived.

- 1 11. In the event legal action is necessary to enforce collection hereunder, Respondent shall  
2 additionally pay all costs and expenses of collection, including without limitation,  
3 reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies  
4 recovered.
- 5 12. Respondent acknowledges that all obligations payable pursuant to this Agreement  
6 ~~constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental~~  
7 ~~unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC §~~  
8 523 such obligations are not subject to discharge in bankruptcy.
- 9 13. This Agreement shall be construed under the laws of the State of Arizona.
- 10 14. In the event that any paragraph or provision hereof shall be ruled unenforceable, all  
11 other provisions hereof shall be unaffected thereby.
- 12 15. This Agreement shall constitute the entire agreement between the parties regarding the  
13 subject matter. This Agreement shall not be modified or amended except in a writing  
14 signed by all parties hereto.
- 15 16. This Agreement shall not be subject to assignment.
- 16 17. No delay, omission or failure by the Commission to exercise any right or power  
17 hereunder shall be construed to be a waiver or consent of any breach of any of the  
18 terms of this Agreement by the Respondent.
- 19 18. By entering into this Agreement, the Respondent does not waive any rights, claims,  
20 defenses or arguments in any subsequent proceeding before the Commission or any  
21 agency, court or other tribunal.
- 22 19. Respondent has obtained independent legal advice in connection with the execution of  
23 this Agreement or have freely chosen not to do so. Any rule construing this Agreement  
24 against the drafter is inapplicable and is waived.
- 25 20. This Agreement shall be void unless executed by the Respondent and delivered to the  
26 Commission not later than January 23, 2017.

1 21. All proceedings commenced by the Commission in this matter will be terminated and  
2 the matter closed upon receipt of the final payment of the civil penalty and compliance  
3 with the other terms set forth in this Agreement.

4 Dated this \_\_\_\_\_ day \_\_\_\_\_, 2017.

5 By: Thomas M. Collins 1-19-17  
6 Thomas M. Collins, Executive Director  
Citizens Clean Elections Commission

7 By: \_\_\_\_\_  
8 Respondent



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§16-941(D), -958, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name:  
**House Victory PAC**

Address:  
**16018 E. Twin Acres Drive**

City:  
**Gilbert**

State:  
**AZ**

Zip:  
**85298**

Telephone Number:  
**(480) 389-8946**

Fax Number:

Name of Authorized Agent:  
**Jeff Hill**

Telephone Number:  
**(480) 389-8946**

E-mail Address:  
**jhill548@aol.com**

Authorized Agent Address (if different from above):  
**(see above)**

City

State

Zip

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
10/13/2016	\$2,666.67	Brophy-McGee	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/17/2016	\$2,666.67	Schmuck	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/17/2016	\$2,666.66	Norgaard	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/17/2016	\$2,666.66	Syms	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/17/2016	\$2,666.67	Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [ccec@azcleanelections.gov](mailto:ccec@azcleanelections.gov).

Forms received within 24 hours of the date of expenditure will be considered timely.

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Please contact [ccec@azcleanelections.gov](mailto:ccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:



Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

**ITEM VI <D> EXHIBIT A**

08/2016



# **CITIZENS CLEAN ELECTIONS COMMISSION** **Independent Expenditure Report**

Pursuant to A.R.S. §§16-941(D), -956, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name:  
**House Victory PAC**

Address:  
**16018 E. Twin Acres Drive**

City  
**Gilbert**

State  
**AZ**

Zip  
**85298**

Telephone Number:  
**(480) 389-8946**

Fax Number:

Name of Authorized Agent:  
**Jeff Hill**

Telephone Number:  
**(480) 389-8946**

E-mail Address:  
**jhill548@aol.com**

Authorized Agent Address (if different from above):  
**(see above)**

City

State

Zip

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
10/17/2016	\$2,666.67	M. Hamway	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/28/2016	\$3,975.00	D. Cook	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/28/2016	\$3,975.00	T. Shope	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/28/2016	\$3,500.00	S. Kais	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/28/2016	\$3,500.00	C. Ackerley	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

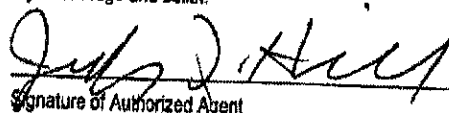
Forms received within 24 hours of the date of expenditure will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
 Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

09/2016





# CITIZENS CLEAN ELECTIONS COMMISSION Independent Expenditure Report

Pursuant to A.R.S. §§ 16-941(D), -956, -958, and A.A.C. R2-20-109(F)

OFFICIAL USE ONLY

☐ Received \_\_\_\_\_

☐ Amended Report

Name:  
**House Victory PAC**

Address:  
**16018 E. Twin Acres Drive**

City:  
**Gilbert**

State:  
**AZ**

Zip:  
**85298**

Telephone Number:  
**(480) 389-8946**

Fax Number:

Name of Authorized Agent:  
**Jeff Hill**

Telephone Number:  
**(480) 389-8946**

E-mail Address:  
**jhill548@aol.com**

Authorized Agent Address (if different from above):  
**(see above)**

City

State

Zip

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported / Opposed	Support	Oppose
10/28/2016	\$13,000.00	D. Hernandez	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10/31/2016	\$2,500.00	M. Syms	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/31/2016	\$2,500.00	M. Hamway	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/31/2016	\$2,500.00	B. Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/31/2016	\$2,500.00	J. Norgaard	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D), -956 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the date of expenditure will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

08/2016





**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§16-941(D), -956, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name:  
**House Victory PAC**

Address:  
**16018 E. Twin Acres Drive**

City:  
**Gilbert**

State:  
**AZ**

Zip:  
**85298**

Telephone Number:  
**(480) 389-8946**

Fax Number:

Name of Authorized Agent:  
**Jeff Hill**

Telephone Number:  
**(480) 389-8946**

E-mail Address:  
**jhill548@aol.com**

Authorized Agent Address (if different from above):  
**(see above)**

City

State

Zip

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
11/1/2016	\$2,300.00	C. Ackerley	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/1/2016	\$2,300.00	D. Hernandez	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11/1/2016	\$2,300.00	R. Gabaldon	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11/7/2016	\$6,043.96	M. Epstein	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11/7/2016	\$521.99	J. Norgaard	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).


Forms received within 24 hours of the date of expenditure will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

  
Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

09/2016



# **CITIZENS CLEAN ELECTIONS COMMISSION** **Independent Expenditure Report**

Pursuant to A.R.S. §§16-941(D), -958, -959, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name: <b>House Victory PAC</b>			
Address: <b>16018 E. Twin Acres Drive</b>		City: <b>Gilbert</b>	State: <b>AZ</b>
Telephone Number: <b>(480) 389-8946</b>		Zip: <b>85298</b>	
Name of Authorized Agent: <b>Jeff Hill</b>		Fax Number:	
Telephone Number: <b>(480) 389-8946</b>		E-mail Address: <b>jhill548@aol.com</b>	
Authorized Agent Address (if different from above): <b>(see above)</b>		City:	State:
		Zip:	

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
11/7/2016	\$521.99	B. Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$521.99	M. Hamway	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$521.99	M. Syms	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$577.53	K. Brophy-McGee	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$577.53	M. Syms	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the date of expenditure will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief:

*Jeff Hill*  
 Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.



**CITIZENS CLEAN ELECTIONS COMMISSION**  
**Independent Expenditure Report**

Pursuant to A.R.S. §§16-941(D), -956, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name:  
**House Victory PAC**

Address:  
**16018 E. Twin Acres Drive**

City  
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State  
**AZ**

Zip  
**85298**

Telephone Number:  
**(480) 389-8946**

Fax Number:

Name of Authorized Agent:  
**Jeff Hill**

Telephone Number:  
**(480) 389-8946**

E-mail Address:  
**jhill548@aol.com**

Authorized Agent Address (if different from above):  
**(see above)**

City

State

Zip

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
11/7/2016	\$577.52	M. Hamway	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$302.20	M. Hamway	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/7/2016	\$302.20	M. Syms	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the date of expenditure will be considered timely.

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Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-915.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief.



Signature of Authorized Agent

House Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as House Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. House Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

09/2016

Approved 1-19-17

STATE OF ARIZONA

CITIZENS CLEAN ELECTIONS COMMISSION

**ORIGINAL**

In the Matter of:

Senate Victory PAC, Respondent

MUR No. 16-007

~~Proposed~~ CONCILIATION AGREEMENT

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission"), Senate Victory PAC (Respondent) enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

- A. Senate Victory PAC did not timely file certain reports required by the Commission related to spending on behalf certain candidates. See Exhibit A (Filings). The Commission finds that these failures demonstrate there is reason to believe Respondent may have committed a violation of the Citizens Clean Elections Act and Commission rules (collectively, the "Act").
- B. A.R.S. § 16-941(D) states that "any person who makes independent expenditures related to a particular office" in excess of certain amounts must report such expenditures to the Secretary of State. A.R.S. § 16-956(A)(7) provides that the Commission has authority to enforce the Act and Rules, to include the assessment of penalties that apply for failure to file reports.
- C. On November 2, 2016, the Commission received a Complaint regarding Respondent's failure to file a report required by A.R.S. § 16-941, -958. After receiving the Complaint the Commission Staff reviewed the Respondent's Campaign Finance Reports. Those

Conciliation Agreement - 1

ITEM VI <C>

1 reports indicated other independent expenditures that the Commission maintains  
2 should have been reported pursuant to the Act

3 D. In response to the Complaint and the Supplemental Complaint, Respondent has filed  
4 several reports under protest.

5 E. This Conciliation Agreement concludes the Commission's enforcement proceeding  
6 respecting the Complaint and additional reports that Respondent should have timely  
7 filed.

8 WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this  
9 matter:

10 1. The Commission has jurisdiction over persons subject to ARS 16-941(D) and 16-958,  
11 including political committees. Respondent disputes this jurisdiction, but avows that the  
12 Campaign Finance Reporting System did not prompt it to make any reports as celled  
13 for in those statutes, and it had no knowledge of the Commission's efforts to provide  
14 alternative electronic means of filing.

15 2. Pursuant to A.R.S. §§ 16-941(D) and -958 any person who makes an independent  
16 expenditure above a threshold set forth in the Clean Elections Act must file reports  
17 required by the person and that under A.R.S. § 16-942(B) the statutory penalty for any  
18 reporting violation on behalf of a candidate is up to \$880 per day up to twice the value  
19 of the unreported amount. Respondent disputes that its expenditures were subject to  
20 the reporting requirements set forth in A.R.S. §§ 16-941(D) and -958 and disputes the  
21 Commission's authority under A.R.S. § 16-942(B) to assess any statutory penalty in  
22 connection with such expenditures.

23 3. Respondent agrees to settle this matter for \$2,500, in addition to the other provisions  
24 herein. This amount represents a mitigated fine based, in part, on the facts stated in  
25 paragraph 1.

26 4. To satisfy the debt amount acknowledged above, Respondent shall pay to the  
Commission \$2,500 by January 31, 2017

- 1 5. All payments shall be made by check or money order payable to the Citizens Clean  
2 Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West  
3 ~~Adams, Suite 110, Phoenix, Arizona, 85007.~~
- 4 6. The Commission shall not commence any legal action against Respondent to collect  
5 the claims so long as they are not in default.
- 6 7. Respondent shall be in default of this Agreement upon the occurrence of any of the  
7 following:
- 8 a. Respondent fails to make any payment required hereunder within five (5) working  
9 days following the date due;
- 10 b. Respondent files a petition under the bankruptcy laws or any creditor of the  
11 Respondent files any petition under said laws against the Respondent;
- 12 c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit  
13 or trustee sale) on real property of the Respondent or commences garnishment,  
14 attachment, levy or execution against the Respondent's property; or;
- 15 d. Respondent provides false information to the Commission.
- 16 e. Respondent fails to abide by any provision of this agreement.
- 17 8. In the event of default hereunder, at the option of the Commission, all unpaid amounts  
18 hereunder shall be immediately due and payable and the Commission may pursue  
19 additional penalties mitigated by this agreement. In addition, interest shall accrue on  
20 the unpaid balance from the date that the payments become due and payable. Interest  
21 shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).
- 22 9. Nothing contained in this Agreement shall be construed to prevent any state agency  
23 which issues licenses for any profession from requiring that the debt in issue be paid in  
24 full before said agency will issue Respondent a new license.
- 25 10. The Commission may waive any condition of default without waiving any other  
26 condition of default and without waiving its rights to full, timely future performance of  
the conditions waived.

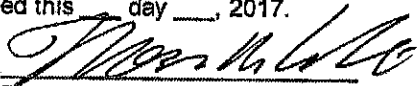
- 1 11. In the event legal action is necessary to enforce collection hereunder, Respondent shall  
2 additionally pay all costs and expenses of collection, including without limitation,  
3 reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies  
4 recovered.
- 5 12. Respondent acknowledges that all obligations payable pursuant to this Agreement  
6 constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental  
7 unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC §  
8 523 such obligations are not subject to discharge in bankruptcy.
- 9 13. This Agreement shall be construed under the laws of the State of Arizona.
- 10 14. In the event that any paragraph or provision hereof shall be ruled unenforceable, all  
11 other provisions hereof shall be unaffected thereby.
- 12 15. This Agreement shall constitute the entire agreement between the parties regarding the  
13 subject matter. This Agreement shall not be modified or amended except in a writing  
14 signed by all parties hereto.
- 15 16. This Agreement shall not be subject to assignment.
- 16 17. No delay, omission or failure by the Commission to exercise any right or power  
17 hereunder shall be construed to be a waiver or consent of any breach of any of the  
18 terms of this Agreement by the Respondent.
- 19 18. By entering into this Agreement, the Respondent does not waive any rights, claims,  
20 defenses or arguments in any subsequent proceeding before the Commission or any  
21 agency, court or other tribunal.
- 22 19. Respondent has obtained independent legal advice in connection with the execution of  
23 this Agreement or have freely chosen not to do so. Any rule construing this Agreement  
24 against the drafter is inapplicable and is waived.
- 25 20. This Agreement shall be void unless executed by the Respondent and delivered to the  
26 Commission not later than January 23, 2017.



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21. All proceedings commenced by the Commission in this matter will be terminated and the matter closed upon receipt of the final payment of the civil penalty and compliance with the other terms set forth in this Agreement.

Dated this \_\_\_\_\_ day \_\_\_\_\_, 2017.

By:  1-19-17  
Thomas M. Collins, Executive Director  
Citizens Clean Elections Commission

By: \_\_\_\_\_  
, Respondent





# **CITIZENS CLEAN ELECTIONS COMMISSION** **Independent Expenditure Report**

Pursuant to A.R.S. §§16-041(D), -056, -958, and A.A.C. R2-20-109(F)

**OFFICIAL USE ONLY**

☐ Received \_\_\_\_\_

☐ Amended Report

Name: <b>Senate Victory PAC</b>			
Address: <b>727 E. Bethany Home Road, Suite B109</b>		City: <b>Phoenix</b>	State: <b>AZ</b>
Telephone Number: <b>(602) 248-0797</b>		Fax Number:	
Name of Authorized Agent: <b>Walter Dudley</b>		Telephone Number: <b>(602) 248-0797</b>	E-mail Address: <b>wfdudley@dhtax.net</b>
Authorized Agent Address (if different from above): <b>(see above)</b>		City:	State: Zip:

Date of Expenditure* (i.e. 5/30/2016)	Amount of Expenditure (i.e. \$5,000.00)	Candidate Supported /Opposed	Support	Oppose
9/23/2016	\$3,400	Allen, Kais, Shope, Ackery, Thorpe	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9/26/2016	\$10,000	Bagley	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10/7/2016	\$7,763	Bagley	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10/13/2016	\$32,500	Pratt, Kais, Allen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/16/2016	\$16,000	Schmuck, Brophy-McGee	<input checked="" type="checkbox"/>	<input type="checkbox"/>

All persons, including corporations, limited liability companies, and labor organizations, are required to file independent expenditure reports under A.R.S. §§ 16-941(D); -958 & Ariz. Admin. Code R2-20-109(F). Please fill out, scan and return to the Arizona Citizens Clean Elections Commission, [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov).

Forms received within 24 hours of the date of expenditure will be considered timely.

Failure to file the form and submit the information required subjects an entity that makes independent expenditures to penalties under the Clean Elections Act unless the entity receives an exemption from the Commission. Exemption forms are available at [www.azcleanelections.gov](http://www.azcleanelections.gov).

Please contact [cccec@azcleanelections.gov](mailto:cccec@azcleanelections.gov) or (602) 364-3477 with questions.

\*The independent expenditure date is the date when the literature or advertisement is distributed. The independent expenditure may be paid for at a later date as reported on committee campaign finance reports required by A.R.S. §16-916.

I, the undersigned, certify that the above statements are true and accurate to the best of my knowledge and belief.

Walter Dudley 12-02-16  
 Signature of Authorized Agent

Senate Victory PAC submits this report under protest and subject to its position that the Arizona Citizens Clean Elections Commission lacks jurisdiction over independent expenditure committees such as Senate Victory PAC, and has no authority under Arizona law to impose reporting, disclosure or other regulatory obligations on such entities. Senate Victory PAC fully reserves all rights, claims, defenses and arguments in any proceeding before the Arizona Citizens Clean Elections Commission in connection with this report or any other matter.

**ITEM VI <C> EXHIBIT A**

09/2016

**STATE OF ARIZONA**  
**CITIZENS CLEAN ELECTIONS COMMISSION**

In the Matter of:

CHISPA AZ PAC, Respondent

MUR No. 18-16

**[PROPOSED] CONCILIATION AGREEMENT**

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission"), CHISPA AZ PAC (Respondent) enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

- A. Any person making independent expenditures must abide by the Clean Elections Act and Rules and the Commission has authority to enforce the Act and Rules pursuant to A.R.S. § 16-956(A)(7), including penalties that apply for failure to file reports.
- B. On October 26, 2018, the Commission received a Complaint regarding Respondent's failure to file a report required by A.R.S. § 16-941, -958. The same day, Respondent made contact with both the Arizona Secretary of State's Office and Commission staff regarding difficulty with a "bulk filer" being able to file Clean Elections Reports. Respondent also filed the reports directly with the Commission pursuant to Ariz. Admin. Code R2-20-109. Respondent subsequently filed all other reports timely.
- C. In all, the reports covered by the Complaint were late by three days. Instead of filing them on October 23, Respondent filed them on October 26.
- D. As part of this Conciliation, Respondent has agreed to waive its right to a hearing on Reason to Believe a Violation of the Act and Rules occurred and instead stipulate the

1 reports were filed late. Nevertheless, it is important to note Respondent was not  
2 directly responsible for the filing difficulties. Indeed, a third-party vendor was  
3 responsible for its Campaign Finance reporting. Respondent acted to remedy the  
4 situation when it learned of it.

- 5 E. This Conciliation Agreement concludes the Commission's enforcement proceeding  
6 respecting the Complaint and the Reports included in Exhibit A.

7 WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this  
8 matter:

- 9 1. Respondent supports full and timely transparency in reporting independent  
10 expenditures to the Commission.
- 11 2. The penalty for each day the filing was late is \$900 because the amount in issue was  
12 greater than 10 percent of the general election spending limit for Corporation  
13 Commission. See Chart of Biennial Adjustments, [https://storageccec.blob.core.usgovcloudapi.net/public/docs/292-20172018-Clean-Elections-Act-Biennial-](https://storageccec.blob.core.usgovcloudapi.net/public/docs/292-20172018-Clean-Elections-Act-Biennial-Adjustments.pdf)  
14 [Adjustments.pdf](https://storageccec.blob.core.usgovcloudapi.net/public/docs/292-20172018-Clean-Elections-Act-Biennial-Adjustments.pdf). Accordingly, the potential fine based on this Complaint is \$2700.
- 15 3. Respondent agrees to settle this matter for \$1,350, in addition to the other provisions  
16 herein. This amount is a mitigated fine based on the facts outlined in Paragraphs A-E.
- 17 4. To satisfy the debt amount acknowledged above, Respondent shall pay to the  
18 Commission \$1,350 by February 28, 2018.
- 19 5. All payments shall be made by check or money order payable to the Citizens Clean  
20 Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West  
21 Adams, Suite 110, Phoenix, Arizona, 85007.
- 22 6. The Commission shall not commence any legal action against Respondent to collect  
23 the claims so long as they are not in default.
- 24 7. Respondent shall be in default of this Agreement upon the occurrence of any of the  
25 following:  
26

- a. Respondent fails to make any payment required hereunder within five (5) working days following the date due;
  - b. Respondent files a petition under the bankruptcy laws or any creditor of the Respondent files any petition under said laws against the Respondent;
  - c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit or trustee sale) on real property of the Respondent or commences garnishment, attachment, levy or execution against the Respondent's property; or;
  - d. Respondent provides false information to the Commission.
  - e. Respondent fails to abide by any provision of this Agreement.
8. In the event of default hereunder, at the option of the Commission, all unpaid amounts hereunder shall be immediately due and payable and the Commission may pursue additional penalties mitigated by this Agreement as identified in Schedule 1. In addition, interest shall accrue on the unpaid balance from the date that the payments become due and payable. Interest shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).
9. Nothing contained in this Agreement shall be construed to prevent any state agency which issues licenses for any profession from requiring that the debt in issue be paid in full before said agency will issue Respondent a new license.
10. The Commission may waive any condition of default without waiving any other condition of default and without waiving its rights to full, timely future performance of the conditions waived.
11. In the event legal action is necessary to enforce collection hereunder, Respondent shall additionally pay all costs and expenses of collection, including without limitation, reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies recovered.
12. Respondent acknowledges that all obligations payable pursuant to this Agreement constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental

unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC § 523 such obligations are not subject to discharge in bankruptcy.

13. This Agreement shall be construed under the laws of the State of Arizona.
14. In the event that any paragraph or provision hereof shall be ruled unenforceable, all other provisions hereof shall be unaffected thereby.
15. This Agreement shall constitute the entire agreement between the parties regarding the subject matter. This Agreement shall not be modified or amended except in a writing signed by all parties hereto.
16. This Agreement shall not be subject to assignment.
17. No delay, omission or failure by the Commission to exercise any right or power hereunder shall be construed to be a waiver or consent of any breach of any of the terms of this Agreement by the Respondent.
18. Respondent has obtained independent legal advice in connection with the execution of this Agreement or has freely chosen not to do so. Any rule construing this Agreement against the drafter is inapplicable and is waived.
19. This Agreement shall be void unless executed by the Respondent or its representative and delivered to the Commission not later than February 7, 2019.
20. All proceedings commenced by the Commission in this matter will be terminated and the matter closed upon receipt of the final payment of the civil penalty and compliance with the other terms set forth in this Agreement.

Dated this \_\_\_\_ day of January, 2019.

By: \_\_\_\_\_  
Thomas M. Collins, Executive Director  
Citizens Clean Elections Commission

By: \_\_\_\_\_  
for  
CHISPA AZ PAC, Respondent

**STATE OF ARIZONA  
CITIZENS CLEAN ELECTIONS COMMISSION**

MUR 18-07

One Arizona dba Sunlight Arizona

**STATEMENT OF REASONS OF THE EXECUTIVE DIRECTOR**

---

On behalf of the Citizens Clean Elections Commission (“Commission”), the Executive Director hereby provides the following Statement of Reasons why there is reason to believe that a violation of the Citizens Clean Elections Act and Commission rules (collectively, the “Act”) may have occurred.

**I. Procedural Background**

On July 27, 2018, Brett Moll and Michael Francis (“Complainants”) filed a complaint (“Complaint”) against One Arizona, doing business as Sunlight Arizona (“Respondent”) alleging the Respondent violated the Clean Elections Act, namely A.R.S. §§ 16-941(D) and 16-958. The Complaint alleges that Sunlight Arizona is expressly advocating against the election or reelection of four Republican candidates for the Arizona State Senate, Sylvia Tenney Allen, Frank Pratt, J.D. Mesnard, and Kate Brophy-McGee and therefore should register as a political committee and file campaign finance reports as prescribed by law. On August 17, 2018, through its attorney James E. Barton II, Respondent submitted a response to the Complaint.

**II. Alleged Violations**

A. The Complaint alleges that the Respondent expressly advocated for the defeat of the above-mentioned state Senate candidates via direct mail pieces as

well as through social media, specifically Facebook, without filing as a political committee and without filing campaign finance reports. The social media posts and direct mail pieces were disbursed in June of 2018 and focus on three distinct issues; education, energy, and predatory lending. The pieces in question ask the recipients of the pieces to contact the state legislators identified on the piece and urge them to “help Arizona’s students,” “stop putting Arizona families’ financial future at risk,” and “protect Arizona’s future and hold irresponsible corporations accountable.”

### **III. Analysis**

#### ***A. Relevant Evidentiary Standard***

At this preliminary stage in Commission proceedings, the Commission need only find that there may be reason to believe that the Respondent has committed a violation of the Act or Rules. Ariz. Admin. Code R2-20-208(A).

#### ***B. Relevant Legal Standard***

The Clean Elections Act defines expressly advocates, in relevant part as an advertisement

[1.] Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard or direct mailer

[2.] referring to one or more clearly identified candidates and

[3.] targeted to the electorate of that candidate(s)

[4.] that in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponents. A.R.S. § 16-901.01(A)(2).

However, such a communication “shall not be considered as one that expressly advocates merely because it presents information about the voting record or position on a campaign issue of three or more candidates, so long as it is not made in coordination with a candidate, political party, agent of the candidate or party or a person who is coordinating with a candidate or candidate's agent.” *Id.* § 16-901.01(B).

The controlling case for reporting under this standard is *Committee for Justice in Fairness v. Arizona Secretary of State's Office (CJF)*, 235 Ariz. 347 (App. 2014). There, the Court held that an advertisement, targeted at the general electorate of a candidate who, while not identified as a candidate for the office sought, was nevertheless unambiguously a candidate for the office sought, run immediately before the election, but criticizing prior actions, did expressly advocate defeat. *Id.* at 354-55 (citing A.R.S. § 16-901(9)).

The U.S. Supreme Court case *Federal Election Commission v. Wisconsin Right to Life (WRTL)*, 551 U.S. 449 (2007) is persuasive authority here. That case dealt with when an absolute ban on express advocacy could be imposed, in the



context of the greater scrutiny that absolute bans require. *Id.* at 464-65. That case held that, in order to impose a ban on express advocacy under the then-existing federal standard, the advertisement in question must, objectively be the functional equivalent of express advocacy “only if the ad is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.” *Id.* at 470.

Respondents make no effort to distinguish the variety of advertisements in the complaint. Rather, they make the blanket assertion that under the Act (A.R.S. § 16-901.01), *CJF*, and *WRTL*, each advertisement is “issue advocacy” for which no reporting is required. Respondent’s arguments, however, ignore key differences in both *CJF* and *WRTL*.

First, Respondents assert that “[t]he mailers do not identify any of the elected officials as candidates.” Response at 2. However, *CJF* makes clear that under Arizona law, a candidate is clearly identified not based on a reference to their status as candidates but whether when the advertisement was run the candidate(s) “had been clearly identified to the general populace” as candidates for the State Senate. 235 Ariz. at 354. Indeed, Representative Mesnard was the unopposed candidate for the LD17 State Senate seat GOP nomination. The same is true for Senator Pratt in Legislative District 8. Senator Brophy McGee was a candidate for the LD28 State Senate seat GOP nomination. Senator Sylvia Allen at one point faced potential opposition for the GOP nomination, but that did not

materialize. All would face Democratic opponents in the general election. All had filed the paperwork necessary to be candidates for state Senate in their respective districts. In other words, each elected official had been identified to their districts as candidates. *See CJF*, 235 Ariz. at 354.

Respondents also attempt to distinguish *CJF* on the basis that the advertisement there was “aired days before the identified individual was to leave the office allegedly the target of the ad.” Response at 3. However, the former Superintendent targeted by the *CJF* ads would serve in office for two months after the November election. Thus, this distinction is not consistent with the context of *CJF*. This argument also does not distinguish the mailers, which according to Complainants were sent after the 2018 legislative session adjourned. After the legislative session adjourns in an election year, unless the Governor calls the Legislature back into special session to address specific topics, legislators will not propose or vote on any further legislation unless they are re-elected to serve another term. Thus, Respondents attempt to distinguish the mailers from *CJF* based on the timing fails.

Respondents argue that their purpose was exactly like the Appellants in *WRTL*—“to educate constituents.” Response at 3. They focus on language in *WRTL* spelling out “content . . . consistent with that of a genuine issue ad.” Response at 3 (quoting *WRTL*). However, unlike the ads in *WRTL*, the mailers do “take a position on a candidate’s character, qualifications, or fitness for office.”

For example, the mailers regarding Senator Brophy McGee place text immediately adjacent to her picture stating:



This language, taken in context, appears to express a view on the “candidate’s character, qualifications, or fitness of office.” The same language and juxtaposition appears in the mailers regarding Representative Mesnard, for instance.

Accordingly, Respondents have provided insufficient distinctions, at this stage of Commission proceedings, for the Commission to conclude that the mailers and internet ads in question are issue advocacy rather than express advocacy. Rather, the timing, context and content of the advertisements appear to fall within the scope of A.R.S. § 16-901.01 and *CJF*.

Other material within the context of the pieces confirms this analysis. The mail piece that was directed at State Senator Brophy McGee clearly states “State Senator Brophy McGee voted for a budget that failed to cap class sizes,” and then asks the recipient of the mail piece to “Vote to reduce class sizes in 2019!” a specific call to action that *occurs after the election*. Additionally, as noted above, the mail pieces and the social media posts were delivered and posted in June, a month after the State Legislature had adjourned sine die leaving no way for State representatives or State Senators to draft bills or vote on bills as requested by the

mail piece and social media post. Additionally, the pieces in question present the stated elected official in an unfavorable light as the recipient of the piece is told that the elected official “voted FOR HB 2434, which DEREGULATES ‘innovative financial products,’ weakens consumer protections, and opens the door to more predatory lending.”

Based on the definition of express advocacy and the facts stated above, I recommend the Commission find a reason to believe that a violation occurred.

### **Recommendation**

If the Commission finds reason to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred, the Commission shall then conduct an investigation. Ariz. Admin. Code R2-20-209(A). The Commission may authorize the Executive Director to subpoena all of the Respondent’s records documenting disbursements, debts, or obligations to the present, and may authorize an audit.

Upon expiration of the fourteen (14) days, if the Commission finds that the alleged violator remains out of compliance, the Commission shall make a public finding to that effect and issue an order assessing a civil penalty in accordance with A.R.S. § 16-942, unless the Commission publishes findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty. A.R.S. § 16-957(B).

After fourteen (14) days and upon completion of the investigation, the Executive Director will recommend whether the Commission should find probable cause to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred. Ariz. Admin. Code R2-20-214(A). Upon a finding of probable cause that the alleged violator remains out of compliance, by an affirmative vote of at least three (3) of its members, the Commission may issue an order and assess civil penalties pursuant to A.R.S. § 16-957(B). Ariz. Admin. Code R2-20-217.

Dated this \_\_\_\_th day of September, 2018.

By: \_\_\_\_\_  
Thomas M. Collins, Executive Director

COPPERSMITH  
BROCKELMAN

LAWYERS

D. Andrew Gaona  
agaona@cblawyers.com  
PH. (602) 381-5486  
FAX (602) 224-6020

2800 North Central Avenue, Suite 1900  
Phoenix, AZ 85004  
CBLAWYERS.COM

September 11, 2018

**Via Email & U.S. Mail**

Eric Spencer  
State Elections Director  
Arizona Secretary of State's Office  
1700 W. Washington Street, 7<sup>th</sup> Floor  
Phoenix, AZ 85007  
[espencer@azsos.gov](mailto:espencer@azsos.gov)

Thomas Collins  
Executive Director  
Arizona Citizens Clean Elections Commission  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
[Thomas.Collins@azcleelections.gov](mailto:Thomas.Collins@azcleelections.gov)

**Re: Campaign Finance Complaint Against U.S. Term Limits, Inc.**

Dear Eric & Tom:

On behalf of Chad Campbell, a registered voter in Legislative District 24 ("LD 24"), we write today to file a campaign finance complaint against U.S. Term Limits, Inc. ("U.S. Term Limits"). Specifically, U.S. Term Limits violated A.R.S. §§ 16-925(C), 16-941(D), 16-958, and A.A.C. § R2-20-109(B) by making independent expenditures related to a candidate race in LD 24 without: (1) including the required disclosure on mailers sent to LD 24 voters, and (2) filing independent expenditure reports as required by the Arizona Citizens Clean Elections Act (the "Act").

Based on the facts detailed below, Mr. Campbell respectfully requests that the Secretary of State make a reasonable cause determination against U.S. Term Limits, and further, that the Arizona Citizens Clean Elections Commission (the "Commission") find reason to believe that U.S. Term Limits violated the Act and its implementing regulations.

**Background**

The facts relevant to this Complaint are simple. U.S. Term Limits is a nonprofit corporation registered in the District of Columbia (file number 903439), and its website

**ITEM XI - COMPLAINT**

indicates that Suzette Meyers serves as its “Arizona State Director.”<sup>1</sup> As of the date of this letter, it has not filed an independent expenditure report with the Secretary.

On August 25, 2018 – mere days before the primary election – U.S. Term Limits had a series of mailers delivered to voters in LD 24 related to its mission of imposing term limits on members of the United States Congress. The first mailer (the “Pro-Ferrell Mailer”) states that “MARCUS FERRELL AND PRESIDENT OBAMA AGREE” with respect to term limits and urged LD 24 voters to “PLEASE CALL MARCUS FERRELL at (904) 300-6112 and say ‘Thank you for protecting our democracy. THANK YOU FOR SUPPORTING TERM LIMITS.’” [Exhibit 1] The Pro-Ferrell Mailer is clearly sent by U.S. Term Limits, and does not contain a “paid for by” disclosure in any form. [*Id.*]

The second mailer does not mention Mr. Ferrell, but instead attacks Representative Ken Clark, who was one of Mr. Ferrell’s opponents in the Democratic Party’s primary election for representative in LD 24 (the “Anti-Clark Mailer”). [Exhibit 2] It also does not contain a “paid for by” disclosure in any form.

### Discussion

Both the Pro-Ferrell Mailer and Anti-Clark Mailer violate several provisions of Arizona law.

**First**, U.S. Term Limits clearly violated A.R.S. § 16-925(C) by failing to include the disclosure required by A.R.S. § 16-925(A) on either the Pro-Ferrell Mailer or the Anti-Clark Mailer. Both constitute “advertisement[s],” A.R.S. § 16-901(1), given their reference to clearly-identified candidates, their targeting of voters in LD 24, their presentation of those candidates in a favorable or unfavorable light, and the fact that they were mailed and received just three days before the primary election. Cf. A.R.S. § 16-901.01(A)(2).<sup>2</sup>

**Second**, U.S. Term Limits also violated A.R.S. §§ 16-941(D), 16-958, and A.A.C. § R2-20-109(B) by making independent expenditures in a legislative race without filing an independent expenditure report as required by the Act and its implementing regulations. For the reasons described above, both the Pro-Ferrell Mailer and Anti-Clark Mailer constitute “express advocacy” as defined by A.R.S. § 16-901.01(A)(2), and these mass mailings (either individually or collectively) surely exceeded the \$740 threshold that triggered U.S. Term Limits’ obligation to file an independent expenditure report.

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<sup>1</sup> <https://www.termlimits.com/about/team/>.

<sup>2</sup> With respect to the Pro-Ferrell Mailer, any argument that it was a mere “issue ad” would be nonsensical because Mr. Ferrell did not hold elected office.

Eric Spencer  
Thomas Collins  
September 11, 2018  
Page 3

### **Conclusion**

We trust that the Secretary and Commission will diligently investigate this matter and agree that U.S. Term Limits violated Arizona law. Please let us know if we can provide any further information as your respective investigations proceed.

Sincerely,



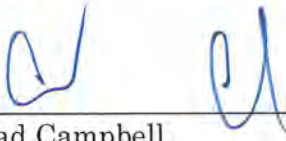
D. Andrew Gaona

DAG:slm  
Enclosures



## VERIFICATION


I, Chad Campbell, state that I have read the foregoing "Campaign Finance Complaint Against U.S. Term Limits, Inc. and Marcus Ferrell" (the "Complaint"). To the best of my knowledge, information and belief, the statements made in the Complaint are true and correct.

  
\_\_\_\_\_  
Chad Campbell

STATE OF ARIZONA       )  
                                      :ss.  
County of Maricopa       )

Subscribed and sworn before me this 29th day of August, 2018, by Chad Campbell.



  
\_\_\_\_\_  
Notary Public

# **Exhibit 1**

# MARCUS FERRELL AND PRESIDENT OBAMA AGREE.

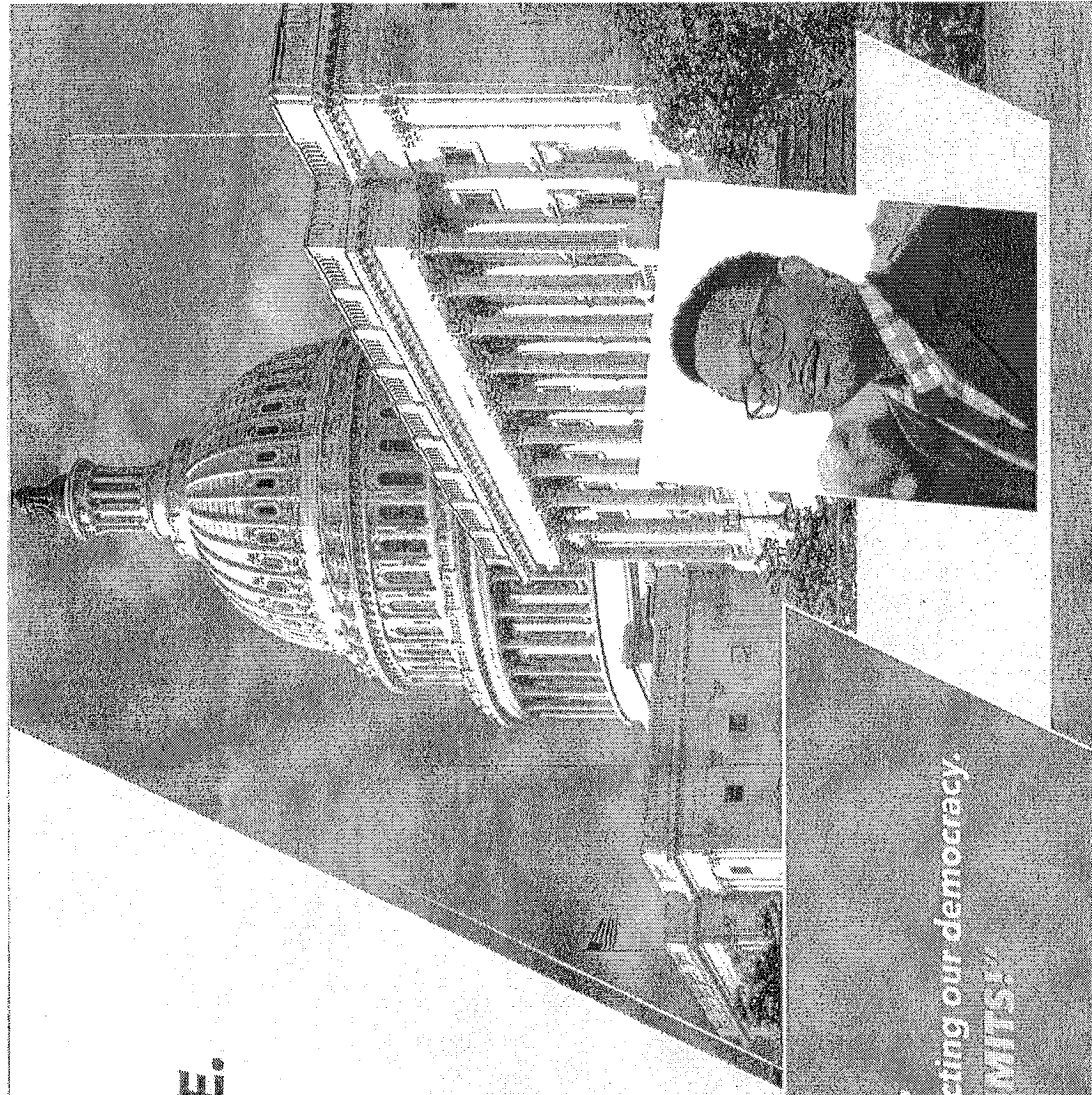
Leaders like President Obama know that politicians who stay in Washington too long can let the people down.

That's why Marcus Ferrell will support legislation to put term limits on members of Congress.

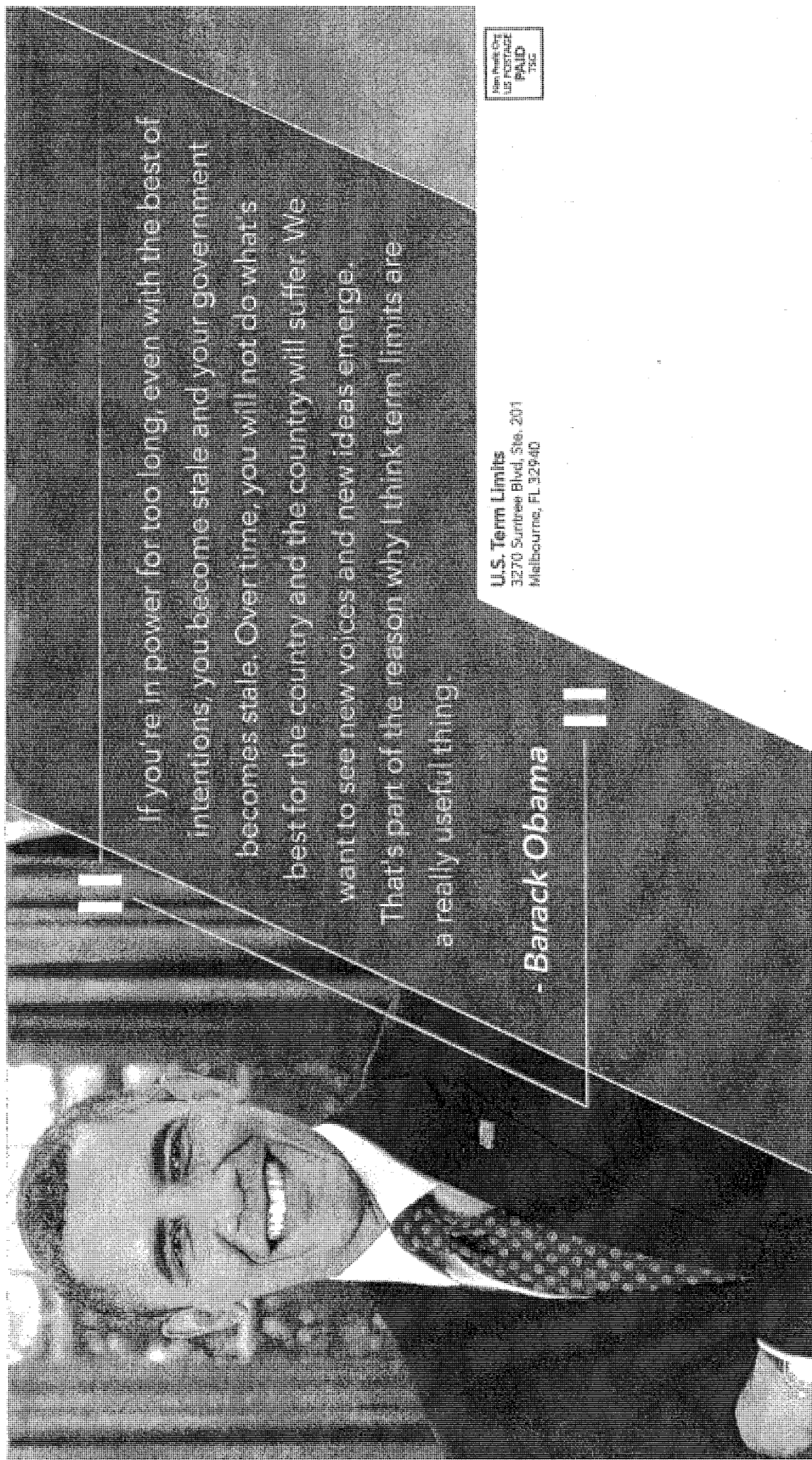
**PLEASE CALL MARCUS FERRELL**

at (904) 300-6112 and say "Thank you for protecting our democracy."

**THANK YOU FOR SUPPORTING TERM LIMITS!"**







||

If you're in power for too long, even with the best of intentions, you become stale and your government becomes stale. Over time, you will not do what's best for the country and the country will suffer. We want to see new voices and new ideas emerge. That's part of the reason why I think term limits are a really useful thing.

||

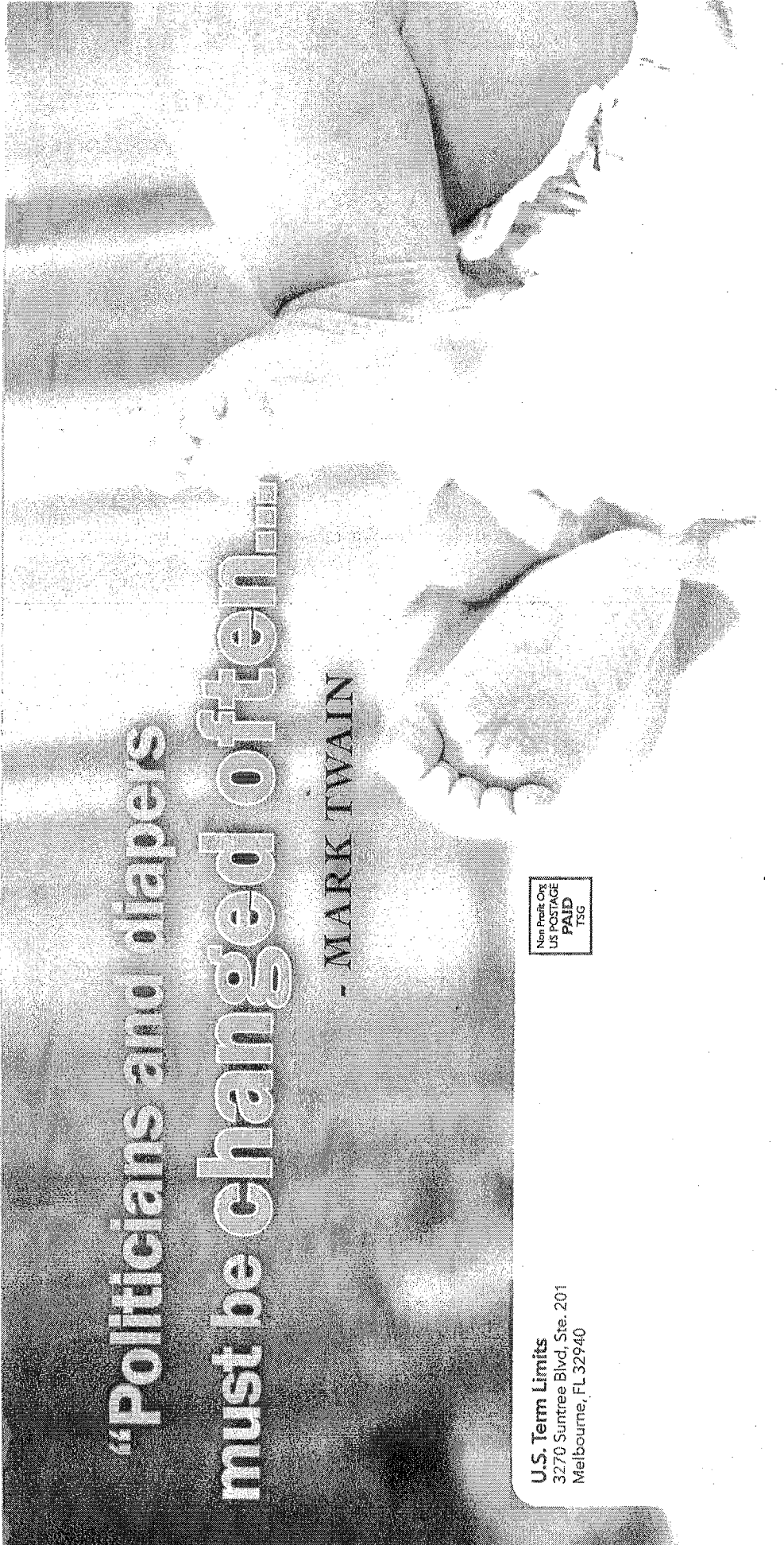
- **Barack Obama**

U.S. Term Limits  
3270 Sunrise Blvd, Ste. 201  
Melbourne, FL 32940

Non Profit Org  
US POSTAGE  
PAID  
75C

# **Exhibit 2**





**"Politicians and diapers  
must be changed often."**

**- MARK TWAIN**

**U.S. Term Limits**  
3270 Suntree Blvd, Ste. 201  
Melbourne, FL 32940

Non Profit Org  
US POSTAGE  
**PAID**  
TSG

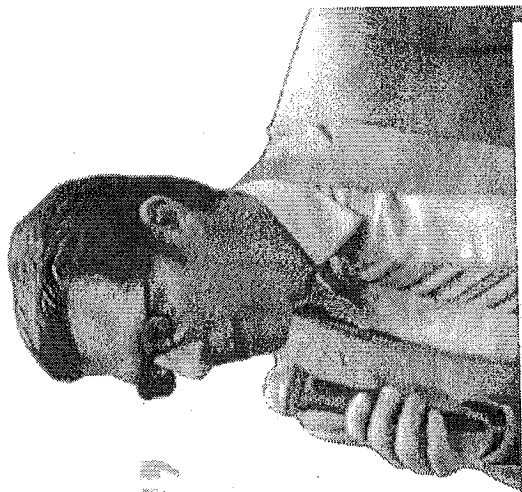
# ...and for the same reason."

We have seen the dysfunction in Washington, DC created by career politicians who are more intent on keeping their seats than finding solutions. We can't afford that broken system any longer.

Ken Clark VOTED AGAINST term limits for Congress, which a scientific poll conducted recently by McLaughlin & Associates found that 82% of Arizona voters support.

Tell Ken Clark: Stop siding with DC career politicians over the people of Arizona. Stop opposing term limits!

Call Ken Clark, let him know you've had enough of career politicians.  
(602) 926-3108      [kenc Clark@azleg.gov](mailto:kenc Clark@azleg.gov)



Roll Call: AZ HCR2024 | 2018

## Term Limits for Congress

Name	Yea	Nay
Rep. Ken Clark [D]		<input checked="" type="checkbox"/>



*Timothy A. La Sota, PLLC*

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

[tim@timlasota.com](mailto:tim@timlasota.com)

September 27, 2018

18 OCT 1 PM 12:04 CCEC

**Via email and U.S. mail to:**

Thomas M. Collins  
Executive Director  
Citizens Clean Elections Commission  
1616 W. Adams, Suite 110  
Phoenix, Arizona 85007  
[thomas.collins@azcleelections.gov](mailto:thomas.collins@azcleelections.gov)

Eric Spencer  
Arizona State Elections Director  
Arizona Secretary of State's Office  
1700 West Washington Street  
Phoenix, Arizona 85007  
[espencer@azsos.gov](mailto:espencer@azsos.gov)

**Re: CCEC MUR 18-14, Arizona Secretary of State CF-2017-020 (U.S. Term Limits)**

Dear Messrs. Collins and Spencer:

This firm represents U.S. Term Limits.

I write in response to the complaint filed on September 11, 2018 against U.S. Term Limits. The complaint was filed by Andrew Gaona on behalf of Chad Campbell and was addressed to both of you.

Mr. Gaona's letter alleged that U.S. Term Limits failed to file a required independent expenditure report with the Citizens Clean Elections Commission and that U.S. Term Limits failed to include required disclosure statements on mailers that it sent out, in violation of A.R.S. §§ 16-925, 16-941, 19-958, and A.A.C. § R2-20-109(B). [Letter from D. Andrew Gaona to Thomas Collins and Eric Spencer, September 11, 2018].

U.S. Term Limits responds as follows to these baseless allegations. In short, the mailers do not trigger reports and are not required to have a statutorily prescribed disclaimer because they do not constitute express advocacy under the law.

**Background**

Because it is relevant in the context of the complaint that has been filed, as well as this response, I wanted to provide you with some background on U.S. Term Limits.

U.S. Term Limits has been recognized as a tax-exempt organization by the Internal Revenue Service since 1991. It is not an entity that sprung up yesterday. U.S. Term Limits exists for one reason—to enact term limits for elected officials at every level of government in the United



Messrs. Collins and Spencer  
September 27, 2018

States. U.S. Term Limits does not try to elect Republicans or Democrats. As if to underscore the nonpartisan nature of U.S. Term Limits, in the mailers that Mr. Campbell filed his complaint about, one Democrat is mentioned who supports term limits, and another Democrat is mentioned who does not support term limits.

U.S. Term Limits' efforts in Arizona, and elsewhere, are limited to issue advocacy.

**The mailers at issue were not independent expenditures under A.R.S. §§ 16-901(31) and 16-901.01 because the mailers are clearly susceptible to an interpretation other than as an appeal to vote for Mr. Ferrell or against Mr. Clark**

An "independent expenditure" is "an expenditure by a person, other than a candidate committee, that complies with both of the following:

- (a) Expressly advocates the election or defeat of a clearly identified candidate.
- (b) Is not made in cooperation or consultation with or at the request or suggestion of the candidate or the candidate's agent"<sup>1</sup>.

A.R.S. § 16-901(31).

Under Arizona law, "expressly advocates" is defined as:

1. Conveying a communication containing a phrase such as "vote for," "elect," "reelect," "support," "endorse," "cast your ballot for," "(name of candidate) in (year)," "(name of candidate) for (office)," "vote against," "defeat," "reject" or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates.
2. Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard or direct mailer referring to one or more clearly identified candidates and targeted to the electorate of that candidate(s) that in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponents.

A.R.S. § 16-901.01.

The mailers did not expressly advocate under the first part of subsection (1) because they contained none of the enumerated phrases of advocacy for election or defeat.

Both the second part of subsection (1), and subsection (2), describe communications "that in context can have no reasonable meaning other than to advocate the election or defeat of" a candidate. And the mailers do not constitute express advocacy under this part of the statute

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<sup>1</sup> Subpart (b) defines when a qualifying expenditure is truly "independent" and is not at issue here.

Messrs. Collins and Spencer  
September 27, 2018

because the mailers clearly have a reasonable meaning other than to advocate the election of a candidate. That is, they are classic issue advocacy—they advocate for the issue of imposing term limits on politicians.

The United States Supreme Court case of *FEC v. Wisconsin Right to Life* is on point. 127 S.Ct. 2652, 2667, 551 U.S. 449, 470 (2007). *Wisconsin Right to Life* dealt with an ad that the FEC claimed was express advocacy, but Wisconsin Right to Life claimed was issue advocacy. The Supreme Court proceeded to enunciate the legal standard for determining if an ad is express advocacy, and examine whether the ad met this standard:

In light of these considerations, a court should find that an ad is the functional equivalent of express advocacy only if the ad is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate. Under this test, WRTL's [Wisconsin Right to Life's] three ads are plainly not the functional equivalent of express advocacy. First, their content is consistent with that of a genuine issue ad: The ads focus on a legislative issue, take a position on the issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter. Second, their content lacks indicia of express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate's character, qualifications, or fitness for office.

127 S.Ct. at 2667, 551 U.S. at 470.

Turning to the mailers produced by U.S. Term Limits, the Supreme Court could just as easily have been talking about U.S. Term Limits' mailers in the block quote above—the ads “focus on a legislative issue, take a position on the issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter.” In addition, the mailers’ “content lacks indicia of express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate's character, qualifications, or fitness for office.”

It is true that one of the persons mentioned, Ken Clark, is a member of the Legislature and was a candidate for reelection at the August primary. But election time is when elected officials listen to constituents the most, when the public pays the most attention, and when issue ads are most effective. *McConnell v. Federal Election Commission*, 251 F.Supp.2d 176, 306. (D.D.C. 2003).

It is also true that Mr. Ferrell was not an elected official at the time the mailer was sent, a point that Mr. Gaona made in the complaint letter. But the Arizona statutes cited above, in defining “expressly advocate”, all speak in terms of “candidates”, not elected officials. Mr. Gaona cites no law for why a line should be drawn between what is said about an elected official-candidate, and what is said about a non-elected official candidate. Nor could he—there is no legal support for this distinction.

In addition, U.S. Term Limits is not a soothsayer and did not know in advance of the primary election which candidates would emerge victorious. It is also true that candidates have been known to forget their promises after securing election—providing a reminder of a promise serves both as a thank you and also as a way of potentially buttressing an issue position with the actual candidate who may soon hold office—two things that have nothing to do with actually winning an election.

It should also be noted that with a regulation of speech on matters of public concern, the First Amendment requires that the benefit of any doubt must be given to “protecting rather than stifling speech.” *Wisconsin Right to Life, Inc.*, 551 U.S. at 469. The mailers here share all of the specific hallmarks mentioned by the Supreme Court in finding that the ad at issue in *Wisconsin Right to Life* was not express advocacy. As such, the mailers do not constitute “express advocacy”, and thus are not subject to disclosure and reporting requirements.

**Arizona has declined to follow the federal government and other states in regulating anything constituting an “electioneering communication.”**

While U.S. Term Limits’ mailers clearly fall into the category of issue advocacy, in some cases it can be difficult to distinguish between issue and express advocacy. For this reason, the United States Congress, as well as some states, have adopted a regulation that applies not just to “express advocacy”, but to any “electioneering communication.” *See, e.g.*, 52 United States Code Annotated § 30104; Montana Code Annotated § 13–1–101 *et seq.*, Colorado Revised Statutes §§1-45-1-101 to 118. In these jurisdictions, “electioneering communications” are subject to disclosure requirements and reporting.

The federal law on this point defines “electioneering communication” as:

any broadcast, cable, or satellite communication which--  
(I) refers to a clearly identified candidate for Federal office;  
(II) is made within--  
(aa) 60 days before a general, special, or runoff election for the office sought by the candidate; or  
(bb) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate; and  
(III) in the case of a communication which refers to a candidate for an office other than President or Vice President, is targeted to the relevant electorate.

52 U.S.C.A. § 30104(f)(3)(A)(i).

These “electioneering communication” statutes were clearly enacted “[t]o capture...issue ads.” *Citizens for Responsibility and Ethics in Washington v. Federal Election Commission*, 299 F.Supp.3d 83, 87 (D.D.C. 2018). And the power of a governmental entity to impose reporting and disclosure requirements has been upheld by the United State Supreme Court. *Citizens United v. Federal Election Commission*, 558 U.S. 310, 369, 130 S.Ct. 876, 175 L.Ed.2d 753 (2010).

Messrs. Collins and Spencer  
September 27, 2018

In Arizona, our elected leaders have decided not to pass something requiring all “electioneering communications” to be regulated. Had they adopted the federal definition, U.S. Term Limits’ mailers might fall into it. But they have not adopted this approach. In Arizona, the line between express advocacy and issue advocacy remains the line between what is regulated and what is not. There is no category for “electioneering communications,” and U.S. Term Limits’ mailers clearly fall into the category of issue advocacy.

#### **Subsequent issue advocacy in Arizona**

U.S. Term Limits may well engage in further issue advocacy in Arizona. To avoid frivolous complaints such as the one filed by Mr. Campbell, we may choose to adhere to campaign finance disclosure and reporting laws in the future. This should not be construed as admission that these legal requirements apply.

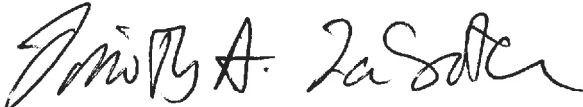
#### **Conclusion**

The complaint submitted against U.S. Term Limits is simply sour grapes emanating from an ally of an unsuccessful candidate for office. The mailers are clearly susceptible the interpretation that they are intended to advocate for the “issue” of term limits, and that ends the inquiry. The fact that someone might also draw a negative or positive view of a candidate is immaterial.

For these reasons, we ask that you take no enforcement action.

Very truly yours,

**TIMOTHY A. LA SOTA PLC**

A handwritten signature in black ink, appearing to read "Timothy A. La Sota". The signature is fluid and cursive, with the first name and last name clearly legible.

Timothy A. La Sota

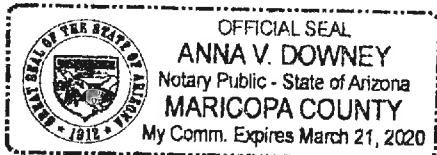
Messrs. Collins and Spencer  
September 27, 2018

### VERIFICATION

I, Timothy A. La Sota, state that I have read the foregoing Response to Chad Campbell's Complaint against U.S. Term Limits, Inc. To the best of my knowledge, information and belief, the statements made in the Response are true and correct.

STATE OF ARIZONA       )  
                                      ) ss.:  
County of Maricopa       )

Subscribed and sworn before me this 27<sup>th</sup> day of September, by Timothy A. La Sota.



  
\_\_\_\_\_  
Notary Public

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October 10, 2018

**Via Email & U.S. Mail**

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Arizona Secretary of State's Office  
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18 OCT 12 PM 3:29 CCEC

**Re: CCEC MUR 18-14, Arizona Secretary of State CF-2017-020  
Campaign Finance Complaint Against U.S. Term Limits, Inc.**

Dear Eric & Tom:

Thank you for the opportunity to submit a brief reply in support of Mr. Campbell's campaign finance complaint ("Complaint") against U.S. Term Limits, Inc. ("U.S. Term Limits"). For the reasons set forth in the Complaint and below, we continue to urge the Secretary and the Commission to take enforcement action against U.S. Term Limits, an out-of-state entity that made independent expenditures in Arizona without complying with its laws.

Cathartic as it may be for U.S. Term Limits to label the Complaint as "baseless," "meritless," and "sour grapes," those unnecessary adjectives do nothing to change the undisputed facts. That is, the Pro-Ferrell Mailer and Anti-Clark Mailer (and other mailers sent by U.S. Term Limits in the days leading up to the primary election): (1) related exclusively to primary election candidates, (2) were sent exclusively to voters who were eligible to cast ballots in favor of (or against) those primary election candidates, and (3) were delivered mere days before the August 28, 2018 primary election. And on these facts, U.S. Term Limits' mailers constituted "express advocacy" under A.R.S. § 16-901.01(A)(2).

**ITEM XI - RESPONSE - GAONA**



Under Arizona law, a person or entity engages in “express advocacy” by

Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard or direct mailer referring to one or more clearly identified candidates and targeted to the electorate of that candidate(s) that in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), *as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponents.*

A.R.S. § 16-901.01(A)(2) (emphasis added). U.S. Term Limits’ response focuses myopically on the “no reasonable meaning other than to advocate the election or defeat of the candidate(s)” language of the statute, all-the-while ignoring the factors that actually inform the analysis of that language. Its silence is telling and dispositive.

The first factor requires an examination of “the presentation of the candidate[] in a favorable or unfavorable light,” and a review of the Pro-Ferrell Mailer and Anti-Clark Mailer in tandem plainly demonstrates that candidate Ferrell was portrayed in a “favorable” light for his apparent support of term limits, and candidate Clark was portrayed in an “unfavorable” light given his opposing view on that issue. Here, the fact that candidate Ferrell was **not** a current officeholder is extremely relevant; after all, there would be **no** need whatsoever for U.S. Term Limits to engage in “issue advocacy” for someone with **no** present authority to effect change on an issue. The mailer was clearly intended to sway voters prior to the election.

The second factor turns on the “targeting, placement or timing of the communication,” all of which weigh in favor of the conclusion that U.S. Term Limits’ mailers are independent expenditures. U.S. Term Limits does not dispute that both mailers were targeted exclusively at voters in LD24 (the district in which both candidates Ferrell and Clark were primary election candidates), and that the mailers were delivered days before the August 28, 2018 primary election. As a consequence, this factor also weighs strongly against U.S. Term Limits. *See Comm. for Justice & Fairness v. Ariz. Sec’y of State’s Office (“CJF”),* 235 Ariz. 347, 354 ¶ 27 (App. 2014) (finding that an ad targeted at a “major portion of the electorate” for a particular office satisfies this factor).

In short, the “only reasonable purpose” for U.S. Term Limits to send these targeted mailers days before the primary elections was to advocate for the election of candidate Ferrell, and the defeat of candidate Clark. *CJF*, 235 Ariz. at 354 ¶ 26. Both mailers were thus “independent expenditures” as defined by Title 16 and the Commission’s rules, and U.S. Term Limits’ failure to include a disclosure statement or file independent expenditure reports violated Arizona law.

Eric Spencer  
Thomas Collins  
October 10, 2018  
Page 3

### Conclusion

We thank the Secretary and the Commission for their careful consideration of this matter, and respectfully request that both pursue enforcement action against U.S. Term Limits to ensure that Arizona's campaign finance laws are dutifully followed by out-of-state interest groups that seek to influence elections in our state.

Sincerely,



D. Andrew Gaona

DAG:slm

cc: Tim La Sota ([tim@timlasota.com](mailto:tim@timlasota.com))  
Attorney for U.S. Term Limits, Inc.



## VERIFICATION

I, D. Andrew Gaona, state that I have read the foregoing Reply in CCEC MUR 18-14 and Arizona Secretary of State CF-2017-020 (the "Reply"). To the best of my knowledge, information and belief, the statements made in the Reply are true and correct.



\_\_\_\_\_  
D. Andrew Gaona

STATE OF ARIZONA       )  
                                      :ss.  
County of Maricopa       )

Subscribed and sworn before me this 10th day of October, 2018, by D. Andrew Gaona.



\_\_\_\_\_  
Notary Public

**STATE OF ARIZONA  
CITIZENS CLEAN ELECTIONS COMMISSION**

MUR 18-14

US TERM LIMITS

**STATEMENT OF REASONS OF THE EXECUTIVE DIRECTOR**

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On behalf of the Citizens Clean Elections Commission (“Commission”), the Executive Director hereby provides the following Statement of Reasons why there is reason to believe that a violation of the Citizens Clean Elections Act and Commission rules (collectively, the “Act”) may have occurred.

**I. Background**

On September 11, Chad Campbell (Complainant) filed a Complaint against U.S. Term Limits, Inc., a Washington D.C. based nonprofit (Respondent). The Complaint alleges that on August 25, 2018 Respondent “delivered a series of mailers to voters in LD24 related to its mission of imposing term limits on members of the United States Congress.” Exhibit 1 (Complaint) at 2. One mailer stated that Candidate 1 was for term limits and encouraged recipients to call that Candidate and thank him for supporting term limits. Another mailer was critical of Candidate 2, an incumbent representative seeking reelection for failing to support term limits. It urged recipients to call Candidate 2 at his legislative office and share their disagreement. *Id.* The Complaint alleges, among other things, that Respondent should have filed Clean Elections Independent Expenditure Reports under A.R.S. § 16-941(D) because the mailers were “express advocacy” under A.R.S. § 16-901.01 and cost more than the threshold requiring spending disclosure.

Respondent filed a timely response arguing that the mailers in question were not express advocacy, but rather “classic issue advocacy,” because they have a meaning other than to advocate for or against a candidate. Exhibit 2, (Response) at 3-4.

## II. Legal Background

### *a. Relevant Evidentiary Standard*

At this preliminary stage in Commission proceedings, the Commission need only find that there may be reason to believe that the Respondent has committed a violation of the Act or Rules. Ariz. Admin. Code R2-20-208(A).

### *b. Relevant Legal Standard*

The Clean Elections Act defines expressly advocates, in relevant part as an advertisement

[1.] Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard or direct mailer

[2.] referring to one or more clearly identified candidates and

[3.] targeted to the electorate of that candidate(s)

[4.] that in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponents. A.R.S. § 16-901.01(A)(2).

However, such a communication “shall not be considered as one that expressly advocates merely because it presents information about the voting record or position on a campaign issue of three or more candidates, so long as it is not made in coordination with a candidate, political party, agent of the candidate or party or a person who is coordinating with a candidate or candidate's agent.” *Id.* § 16-901.01(B).

The controlling case for reporting under this standard is *Committee for Justice in Fairness v. Arizona Secretary of State's Office (CJF)*, 235 Ariz. 347 (App. 2014). There, the Court held that an advertisement, targeted at the general electorate of a candidate who, while not identified as a candidate for the office sought, was nevertheless unambiguously a candidate for the office sought, run immediately before the election, but criticizing prior actions, did expressly advocate defeat. *Id.* at 354-55 (citing A.R.S. § 16-901(9)).

The U.S. Supreme Court case *Federal Election Commission v. Wisconsin Right to Life (WRTL)*, 551 U.S. 449 (2007) is persuasive authority here. That case dealt with when an absolute ban on express advocacy could be imposed, in the context of the greater scrutiny that absolute bans require. *Id.* at 464-65. That case held that, in order to impose a ban on express advocacy under the then-existing federal standard, the advertisement in question must, objectively be the functional equivalent of express advocacy “only if the ad is susceptible of no reasonable

interpretation other than as an appeal to vote for or against a specific candidate.”

*Id.* at 470.

### III. Application

Respondent’s principle argument is based on *WRTL*. In essence, they argue that because the call to action here was to call the two candidates, that is the reasonable alternative meaning of the mailers. Moreover, they argue that they could not have foreseen the results of the primary and that the mailer serves as a “thank you” “and also as a way of potentially buttressing an issue position with the person who may soon hold office” reasons, they argue that have nothing to do with winning the election. Response at 3-4.

The statute, however, requires that there be no other reasonable meaning in “as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponent” A.R.S. § 16-901(A)(2). Here, both mailers present the candidates in favorable (Candidate 1) and unfavorable (Candidate 2) light. They were targeted at the district, timed close to the election and included statements of the candidates through their positions. Thus under the statute and *CJF* there is not a reasonable alternative meaning. *CJF* at 354-55 Accordingly, under the statute, the

expenditures constituted express advocacy, likely over the threshold reporting amount.<sup>1</sup>

## **Recommendation**

**I recommend the Commission find reason to believe a violation may have been committed.**

After the Commission finds reason to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred, the Commission shall conduct an investigation. Ariz. Admin. Code R2-20-209(A). The Commission may authorize the Executive Director to subpoena all of the Respondent's records documenting disbursements, debts, or obligations to the present, and may authorize an audit.

Upon expiration of the fourteen (14) days, if the Commission finds that the alleged violator remains out of compliance, the Commission shall make a public finding to that effect and issue an order assessing a civil penalty in accordance with A.R.S. § 16-942, unless the Commission publishes findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty. A.R.S. § 16-957(B).

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<sup>11</sup> Respondent argues, Response at 3-5, that Arizona legislators did not include an electioneering communication definition similar to federal law in the statute. The voters of Arizona who actually approved A.R.S. § 16-901.01 did, however. The legislature later removed it with a 3/4ths vote. Laws 2012, Ch. 257, § 1. While this measure received a 3/4ths vote of the legislature, whether the amendment furthered the purpose of the Clean Elections Act is an open legal question.

After fourteen (14) days and upon completion of the investigation, the Executive Director will recommend whether the Commission should find probable cause to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred. Ariz. Admin. Code R2-20-214(A). Upon a finding of probable cause that the alleged violator remains out of compliance, by an affirmative vote of at least three (3) of its members, the Commission may issue of an order and assess civil penalties pursuant to A.R.S. § 16-957(B). Ariz. Admin. Code R2-20-217.

Dated this 30th day of October, 2018.

By: S/Thomas M. Collins

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Thomas M. Collins, Executive Director