



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

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

Date: Thursday, November 16, 2017

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 November 16, 2017. 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. 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.

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 September 28, 2017 meeting.
- III. Discussion and Possible Action on Executive Director's Report.
- IV. Discussion and Possible Action on MUR 17-01 Jesus Rubacalva.
- V. Discussion and Possible Action on MUR 17 -02 and 17-03 American Federation for Children.

- VI. Discussion and possible action on Clean Elections Surcharge and related issues with the Arizona Administrative Office of the Courts.

The Commission may choose to go into executive session on Item VI for discussion or consultation with its attorneys to consider its position and instruct its attorneys regarding the public body's position regarding contracts, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. A.R.S. § 38-431.03(A)(4).

- VII. Discussion and Possible Action on Executive Director's request for authorization to enter Intergovernmental Agreement with Maricopa County for Voter and Public Education purposes.
- VIII. Discussion and Possible Action on the 2018 Legislative Agenda:
- IX. Discussion and Possible Action on the 2018 Commission meeting dates.
- X. 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
- XI. 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 14th day of November, 2017.

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.

ITEM II

THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

REPORTER'S TRANSCRIPT OF PUBLIC MEETING

Phoenix, Arizona
September 28, 2017

9:30 a.m.

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Prepared by:
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<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 September 28, 2017, 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. Steve M. Titla, Chairperson 8 Mr. Mark S. Kimble 9 Mr. Damien Meyer 10 Ms. Amy B. Chan 11 Mr. Galen D. Paton 12 13 OTHERS PRESENT: 14 Thomas M. Collins, Executive Director 15 Paula Thomas, Executive Officer 16 Gina Roberts, Voter Education Director 17 Sara Larsen, Financial Affairs Officer 18 Mike Becker, Policy Director 19 Alec Shaffer, Web Content Manager 20 Christina Stone, RIESTER 21 Paula Bickett, AZ Attorney General's Office 22 Jeffrey Ong, Senate 23 Zoe K. Dean, Senate 24 Rivko Knox, AZ League of Women Voters 25 Mary O'Grady, Osborn Maledon Garrett Archer, SOS IT Manager Lisette Flores, AZ State Senate Joel Edman, AZAW</p>	<p style="text-align: right;">Page 4</p> <p>09:31:33-09:32:57</p> <p>1 (No response.) 2 CHAIRMAN TITLA: Motion passes unanimously. 3 Let's go to the third item, discussion and 4 possible action on the executive director's report. 5 Tom? 6 MR. COLLINS: Yes. Commissioner -- 7 Chairman Titla, Commissioners, just real quick, we 8 had -- the National Voter Registration Day was Tuesday, 9 and we partnered with the ASU undergraduate student 10 government and hosted a voter registration event there. 11 We previewed -- or didn't really preview. 12 We launched -- well, we didn't -- we already launched. 13 So, I guess -- what's the word I'm looking for? We 14 used. We used our chatbot as part of a civics trivia 15 opportunity for students to test their knowledge, and 16 that was very popular. We think we registered 17 somewhere between 40 and 50 voters which is nice. And 18 we distributed voter education materials for the same 19 event to Yuma and the Arizona Center for Disability 20 Law. 21 The -- I think the whole thing was -- was a 22 really -- was a really great opportunity for us, and I 23 think the chatbot is really an exciting way we're 24 engaging -- you know, we've talked about this at our 25 roundtable, but we're engaging Gen Z and millennials</p>
<p>09:30:37-09:31:33</p> <p style="text-align: right;">Page 3</p> <p>1 PROCEEDING 2 3 CHAIRMAN TITLA: The Clean Elections 4 Commission meeting is called to order, Thursday, 5 September 28, 2017, 9:30 a.m. 6 We will go to the -- that's the first item. 7 The second item is discussion and possible action on 8 commission minutes from the August 31, 2017 meeting. 9 Commissioners, had a chance to take a look 10 at them? 11 COMMISSIONER KIMBLE: Mr. Chairman? 12 CHAIRMAN TITLA: Commissioner Kimble. 13 COMMISSIONER KIMBLE: I move we approve the 14 minutes for the Commission meeting of August 31st, 15 2017. 16 CHAIRMAN TITLA: Okay. There's a motion by 17 Commissioner Kimble to pass the minutes. 18 COMMISSIONER PATON: Second. 19 CHAIRMAN TITLA: Second by Commissioner 20 Paton. 21 All in favor say aye. 22 (Chorus of ayes.) 23 CHAIRMAN TITLA: Opposed? 24 (No response.) 25 CHAIRMAN TITLA: Abstain?</p>	<p>09:33:02-09:34:21</p> <p style="text-align: right;">Page 5</p> <p>1 where they're at with that, and that can be used 2 flexibly to provide both election information and other 3 information. 4 We've got -- there are elections coming up, 5 and the next voter registration deadline for bonds, 6 over- -- those are mostly bonds, overrides, those kinds 7 of things. They're on -- so the next voter 8 registration deadline is October 10th. 9 You can see the candidate information. I 10 wanted to briefly mention -- and I think -- I think all 11 you know this. The Arizona Supreme Court held oral 12 arguments in the Legacy Foundation Action Fund versus 13 Clean Elections Commission on September 11th, and that 14 link there will take you to that. If you haven't had a 15 chance to watch that argument, I do -- do recommend you 16 check it out. It's fairly brief. 17 And I think Joe Roth from Osborn Maledon 18 did a very good job of arguing our position which, you 19 know, just so everybody in the public and in the 20 Commission, everybody -- and the Commission knows this, 21 but the public understands that the issue in that case 22 is not really a Clean Elections issue. It's a 23 jurisdictional issue under Title 12 and the civil -- in 24 terms of how civil proceedings are handled from -- from 25 administrative actions.</p>

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<p>1 Finally, there's an update there. Last</p> <p>2 week the Republic -- well, Secretary Reagan, I should</p> <p>3 say, reported on reports she had received from the U.S.</p> <p>4 Department of Homeland Security which seemed to provide</p> <p>5 a little more detail to the -- what happened last -- or</p> <p>6 summer of 2016. You may recall that E-Qual and --</p> <p>7 well, the voter registration system itself and then</p> <p>8 because of that E-Qual, we were offline. We had some</p> <p>9 meetings -- at least one meeting to address that.</p> <p>10 So that summary is designed to keep you as</p> <p>11 up to date as we can, as far as the information the</p> <p>12 Secretary's office has put out, along with the</p> <p>13 background from what happened in 2016 there. So that's</p> <p>14 there for your -- your information. I don't really</p> <p>15 have a lot to add to it other than, I guess, the best</p> <p>16 way to understand, at least from what I can tell the</p> <p>17 DHS notice is that it seems to be sort of an official</p> <p>18 confirmation and perhaps provides more detail through</p> <p>19 the Secretary's office, but DHS has made clear that it</p> <p>20 will be up to each Secretary to provide whatever detail</p> <p>21 they think is necessary.</p> <p>22 But, you know, I think that the most</p> <p>23 important point to take away is that really important</p> <p>24 from a -- from our perspective, obviously, we have an</p> <p>25 interest in the voter registration system because of</p>	<p>1 candidate information, you have listed participating</p> <p>2 candidates.</p> <p>3 Is that normal? Above? Below?</p> <p>4 MR. COLLINS: I guess I'd defer to Sara. I</p> <p>5 think that -- I think it's -- I don't think it's -- I</p> <p>6 don't think it's out of line at this point. The thing</p> <p>7 is that -- well, I don't know -- well, Sara, do you</p> <p>8 want to get up and address that? It might be easier.</p> <p>9 I'd defer to Sara on that question.</p> <p>10 MS. LARSEN: Chairman, Commissioner Paton,</p> <p>11 I would say that it's on average. We really won't know</p> <p>12 until probably the spring sometime really what a good</p> <p>13 idea the number of participating candidates that we're</p> <p>14 really going to have. So these are people who are just</p> <p>15 interested in just getting going on the process. We</p> <p>16 don't know how many are actually going to apply for</p> <p>17 funding and how many will be funded, but I would say</p> <p>18 that it's a good start on the participating numbers.</p> <p>19 COMMISSIONER PATON: So initially they --</p> <p>20 what do they do to tell you that they're kind of</p> <p>21 interested?</p> <p>22 MS. LARSEN: Chairman, Commissioner Paton,</p> <p>23 how they tell us that they're interested is they file</p> <p>24 an application for certification to be a participating</p> <p>25 candidate.</p>		
09:35:51-09:36:50	Page 7	09:38:08-09:38:54	Page 9
<p>1 E-Qual and because of our packet and all those other</p> <p>2 things, but from a voter perspective, which is the</p> <p>3 other part of our mandate in working with voters, the</p> <p>4 two -- the two takeaways that I think are most</p> <p>5 important is that, number one, the Secretary's office</p> <p>6 has said all along and continues to say that there was</p> <p>7 no breach of the system that actually occurred, which I</p> <p>8 think is terribly important.</p> <p>9 And I think the other thing that the</p> <p>10 Secretary's office has stressed, which I think is</p> <p>11 equally important to stress for us, is that none of</p> <p>12 this involved election results. We're talking about an</p> <p>13 effort to try to backdoor your way into a voter</p> <p>14 registration system that's got nothing to do with the</p> <p>15 actual results of elections. And I think that those</p> <p>16 two messages which the Secretary has communicated are</p> <p>17 equally important for you to be aware of and for us to</p> <p>18 communicate.</p> <p>19 So unless you have any questions, that</p> <p>20 completes my executive director's report.</p> <p>21 CHAIRMAN TITLA: Any questions for</p> <p>22 Mr. Collins, Commissioners?</p> <p>23 COMMISSIONER PATON: I have a question.</p> <p>24 CHAIRMAN TITLA: Commissioner Paton?</p> <p>25 COMMISSIONER PATON: So on the 2018</p>	<p>1 COMMISSIONER PATON: Okay.</p> <p>2 MS. LARSEN: So they actually take an</p> <p>3 active step to say I want to be a Clean Elections</p> <p>4 candidate and that's how I'm going to fund my campaign.</p> <p>5 COMMISSIONER PATON: So whether they follow</p> <p>6 through will happen later?</p> <p>7 MS. LARSEN: Right. It will, you know,</p> <p>8 depend on how many actually qualify to be on the</p> <p>9 ballot. So they still have collect their petition</p> <p>10 signatures and qualify to be on the ballot in order to</p> <p>11 receive funding. So --</p> <p>12 COMMISSIONER PATON: Yeah.</p> <p>13 MS. LARSEN: So we still have some time to</p> <p>14 go to see how many participating candidates we are</p> <p>15 going to have.</p> <p>16 COMMISSIONER PATON: I was just curious</p> <p>17 since we had people saying things were difficult or</p> <p>18 whatever. I just wanted to see if that was normal.</p> <p>19 MS. LARSEN: Yeah. And, Chairman,</p> <p>20 Commissioner Paton, I would say that it's -- it's a</p> <p>21 good start in our numbers.</p> <p>22 COMMISSIONER PATON: Okay. Thank you.</p> <p>23 CHAIRMAN TITLA: More questions, comments,</p> <p>24 Commissioners?</p> <p>25 (No answer.)</p>		

09:38:54-09:39:48	Page 10	09:41:15-09:42:24	Page 12
<p>1 CHAIRMAN TITLA: If not -- do we need a</p> <p>2 motion to approve --</p> <p>3 MR. COLLINS: No, no. I don't think</p> <p>4 there's a -- I don't think there's a motion, other</p> <p>5 than, you know, it is a -- do you mind if I -- go</p> <p>6 ahead?</p> <p>7 The other -- the other thing I'd like to</p> <p>8 report which is breaking news is that today is</p> <p>9 Commissioner Chan's birthday. So if we all have an</p> <p>10 opportunity to wish her happy birthday, you should do</p> <p>11 that.</p> <p>12 COMMISSIONER CHAN: Thank you.</p> <p>13 MR. COLLINS: I don't know if you want a</p> <p>14 motion on that.</p> <p>15 CHAIRMAN TITLA: Happy birthday,</p> <p>16 Commissioner Chan.</p> <p>17 COMMISSIONER CHAN: Thank you.</p> <p>18 CHAIRMAN TITLA: Okay. Let's go on to the</p> <p>19 fourth item, discussion and possible action on the rule</p> <p>20 amendment proposals, A, R2-20-402-01, random audits of</p> <p>21 participating legislative candidates, approved for</p> <p>22 public comment on June 22nd of 2017.</p> <p>23 Mr. Collins?</p> <p>24 MR. COLLINS: Oh, yes. I'm sorry. Yes,</p> <p>25 Commissioner -- or Chairman, Commissioners, so -- how</p>	<p>1 the bookkeeping rules that we've already passed, will</p> <p>2 put us in a position where it's going to be difficult</p> <p>3 to game the system because there will be people looking</p> <p>4 at both ends of the spectrum in terms of when the money</p> <p>5 comes in and when the money goes out.</p> <p>6 As we all know -- or we should all know at</p> <p>7 this point, campaign finance reports are not -- the</p> <p>8 campaign finance reporting system is not a bank. It</p> <p>9 reflects what people reported, and so, you know, one of</p> <p>10 the things that the -- that the Clean Elections system</p> <p>11 does that benefits voter confidence is ensures that</p> <p>12 candidates are living up to the expectations that are</p> <p>13 set for them by the act.</p> <p>14 So we think this is an important rule. We</p> <p>15 circulated it for public comment. I don't think we got</p> <p>16 a single comment one way or the other on it. We don't</p> <p>17 think this will be a significant additional burden</p> <p>18 because we set this rule up so that if you lose in the</p> <p>19 primary, you get audited after the primary. And if you</p> <p>20 lose in the general, you get audited for the primary</p> <p>21 and the general. So nobody is going to get audited --</p> <p>22 the way we formerly did it is it didn't matter if you</p> <p>23 won the primary or not. You might be in the primary</p> <p>24 hopper.</p> <p>25 So this is actually, for candidates, a more</p>		
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<p>1 do we have this set up? So we have two rules and we</p> <p>2 have two different actions we'd like taken on them.</p> <p>3 And just for your -- just as an FYI, you know, Paula</p> <p>4 Bickett from the Attorney General's Office, she's the</p> <p>5 chief appellate counsel there and supervises Kara and</p> <p>6 Joe who are the day-to-day attorneys and, you know, is</p> <p>7 my supervisor there.</p> <p>8 She's with us today just in case we have</p> <p>9 procedural questions or other questions. Kara and Joe</p> <p>10 are wrapped up in a trial. So Paula is here. She's --</p> <p>11 so if we have any questions, she'll be more than --</p> <p>12 she's beyond qualified to answer our questions, but in</p> <p>13 any event, she's here to make sure we have coverage.</p> <p>14 There's two issues, and I guess we'll have</p> <p>15 to -- I'd like to take them serially. The first issue</p> <p>16 is R2-20-402.01. R2-20-402.01, in effect -- well,</p> <p>17 takes a rule we passed, I think, at the end of last</p> <p>18 year and expands it to all legislative candidates. And</p> <p>19 that rule says that if you take clean funding, you're</p> <p>20 going to be subject to an audit. That audit is the</p> <p>21 same audit that we did on a random basis in the past.</p> <p>22 And we did 29 of those in 2016, but this would mean</p> <p>23 basically all candidates would be subject to random</p> <p>24 audit.</p> <p>25 We think that this, coupled with some of</p>	<p>1 efficient way to do it even though all of them are now</p> <p>2 going to be exposed to an audit. And so we'd ask that</p> <p>3 you approve this for final publication and adoption as</p> <p>4 a rule. So that would be -- the motion would be to</p> <p>5 final -- for final approval of R2-20-4.0 -- 402.01.</p> <p>6 CHAIRMAN TITLA: Any questions?</p> <p>7 MR. COLLINS: Unless you have questions.</p> <p>8 CHAIRMAN TITLA: Comments?</p> <p>9 COMMISSIONER CHAN: Mr. Chairman?</p> <p>10 CHAIRMAN TITLA: Commissioner Chan.</p> <p>11 COMMISSIONER CHAN: I would like to say</p> <p>12 that I do support this rule. The only comment that I</p> <p>13 wanted to make is just that initially when staff</p> <p>14 explained the -- the proposal, I was a little concerned</p> <p>15 that it might discourage folks from running as clean</p> <p>16 candidates, but I think the fact that it's only a</p> <p>17 random audit won't discourage people. And I think it</p> <p>18 does help ensure the integrity of our system, so I</p> <p>19 would fully support the adoption of the rule.</p> <p>20 CHAIRMAN TITLA: Any other comments?</p> <p>21 Commissioner?</p> <p>22 COMMISSIONER MEYER: Just to clarify, it's</p> <p>23 not a random, right? Everyone is getting audited,</p> <p>24 right?</p> <p>25 MR. COLLINS: That's correct. Yes.</p>		

09:43:28-09:44:18	Page 14	09:45:32-09:46:38	Page 16
<p>1 Exactly.</p> <p>2 COMMISSIONER MEYER: Okay.</p> <p>3 MR. COLLINS: Exactly. The --</p> <p>4 COMMISSIONER CHAN: Or -- I'm sorry. Yes.</p> <p>5 COMMISSIONER MEYER: I think --</p> <p>6 COMMISSIONER CHAN: Pardon me. Pardon me.</p> <p>7 I misspoke. Thank you.</p> <p>8 MR. COLLINS: Yeah. The audit itself, just</p> <p>9 to -- if it goes to the -- sort of the underlying</p> <p>10 question is the audit is not a -- it's not a full</p> <p>11 audit. Like, we've done full audits when we've had to</p> <p>12 do an enforcement action and that kind of thing. What</p> <p>13 this does is we take specific transactions. I mean, I</p> <p>14 think we're going to focus, we've already said, on</p> <p>15 party transactions. We're going to focus on other</p> <p>16 transactions.</p> <p>17 We have other things that we look for --</p> <p>18 petty cash, whether or not there's a legal defense fund</p> <p>19 set up, those kinds of things. And we do that on an</p> <p>20 administrative basis, working with the auditors to</p> <p>21 set -- set up what are called -- and there's an</p> <p>22 auditing term that I'm going to now forget -- scope of</p> <p>23 work and the agreed-upon procedures for the audit.</p> <p>24 And -- and so we do that on an</p> <p>25 administrative basis, but basically, you know, we think</p>		<p>1 be a -- that's not a -- that's not a substantive</p> <p>2 change. I don't think that would require any sort of</p> <p>3 recirculation, but it would be a clean-up change. So</p> <p>4 certainly if you wanted to edit out that -- that term</p> <p>5 from the heading and just say "audits of participating</p> <p>6 legislative candidates," you know, we could -- we</p> <p>7 could -- we could adopt it that way without any serious</p> <p>8 procedural problem. So it's really -- it's really up</p> <p>9 to you-all as commissioners.</p> <p>10 COMMISSIONER PATON: Yeah. Somehow I think</p> <p>11 that needs to be addressed.</p> <p>12 MR. COLLINS: Okay. Well, in that case --</p> <p>13 COMMISSIONER PATON: Because it's confusing</p> <p>14 to me.</p> <p>15 MR. COLLINS: Sure.</p> <p>16 COMMISSIONER PATON: And, obviously, it was</p> <p>17 confusing to Commissioner Chan. So --</p> <p>18 MR. COLLINS: I think, Mr. Chairman,</p> <p>19 Commissioner Paton, in that case, I would recommend</p> <p>20 that since there hasn't been a motion made yet, that</p> <p>21 the motion simply be to adopt the rule along with</p> <p>22 excluding the word "random" from the heading. So it's</p> <p>23 essentially adopt R2-20-402.01 except for the word</p> <p>24 "random" in the heading. And I think that that --</p> <p>25 again, because that's not a substantive change to the</p>	
09:44:21-09:45:31	Page 15	09:46:41-09:47:28	Page 17
<p>1 that if you're -- if you're monkeying around in the</p> <p>2 system, this is going to do -- and we think most people</p> <p>3 are not, to be honest with you, but this will make sure</p> <p>4 that anybody who does choose to engage in that kind of</p> <p>5 thing is not going to -- is going to be -- going to</p> <p>6 face a much less likelihood of getting away with it.</p> <p>7 COMMISSIONER PATON: I have a question.</p> <p>8 CHAIRMAN TITLA: Commissioner Paton.</p> <p>9 COMMISSIONER PATON: So the term "random"</p> <p>10 here doesn't refer to you're randomly selected. It's</p> <p>11 the actual receipt or whatever expenditure is random</p> <p>12 within the document?</p> <p>13 MR. COLLINS: I think that that's a fair</p> <p>14 reading of the heading.</p> <p>15 COMMISSIONER PATON: Because I was kind of</p> <p>16 confused by that myself.</p> <p>17 MR. COLLINS: Yeah. No, I think that's a--</p> <p>18 I think that's a fair reading of the heading. I think</p> <p>19 we could probably change the heading without making a</p> <p>20 significant change to the substance of the rules when</p> <p>21 we publish them. I think -- I don't -- so whatever</p> <p>22 your pleasure is in terms of whether or not -- if you</p> <p>23 think "random" is unclear there --</p> <p>24 COMMISSIONER PATON: Yeah.</p> <p>25 MR. COLLINS: -- I don't think that would</p>		<p>1 rule, I don't think that's a serious problem.</p> <p>2 CHAIRMAN TITLA: Any more comments,</p> <p>3 Commissioners?</p> <p>4 COMMISSIONER KIMBLE: Mr. Chairman?</p> <p>5 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>6 COMMISSIONER KIMBLE: I would -- I would so</p> <p>7 moved, based on Mr. Collins' recommendation, that we</p> <p>8 adopt Rule R2-20-402-01 striking in the title the word</p> <p>9 "random." So the title would read "audits of</p> <p>10 participating legislative candidates."</p> <p>11 CHAIRMAN TITLA: Okay. There's a motion by</p> <p>12 Commissioner Kimble.</p> <p>13 Is there a second?</p> <p>14 COMMISSIONER MEYER: Second.</p> <p>15 CHAIRMAN TITLA: Second, Commissioner</p> <p>16 Meyer.</p> <p>17 All in favor say aye.</p> <p>18 (Chorus of ayes.)</p> <p>19 CHAIRMAN TITLA: Opposed?</p> <p>20 (No response.)</p> <p>21 CHAIRMAN TITLA: Abstain?</p> <p>22 (No response.)</p> <p>23 CHAIRMAN TITLA: Motion is passed</p> <p>24 unanimously, and we go to B.</p> <p>25 MR. COLLINS: Right. Yes. So,</p>	

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<p>1 Mr. Chairman, if I may. So the changes here start</p> <p>2 on -- start with letter G. This is a draft we'll be</p> <p>3 finalizing into the notice format that you see in the</p> <p>4 other -- in the other -- in the other document. So</p> <p>5 I'll just walk you through the changes, if I may.</p> <p>6 First, under G, you know, that's a clean-up</p> <p>7 that -- in terms of the statutory citation change and</p> <p>8 the, you know, removal of surplus language. We're</p> <p>9 adding Section 2. It's underlined, but the underlining</p> <p>10 doesn't go all the way through, but that -- underlining</p> <p>11 2 should -- should be -- it's a signal. And we'll</p> <p>12 correct that in the final published version for --</p> <p>13 which, again, it's just for public comment that all</p> <p>14 general funds not committed to expenditures during the</p> <p>15 general election period and for goods and services</p> <p>16 directed to the general election.</p> <p>17 That's a -- that's new language to clarify</p> <p>18 that -- that, you know, again, the general funds have</p> <p>19 to be committed to general election period funding --</p> <p>20 what's that? -- and returned if they're not. So that,</p> <p>21 too, should have -- the underlining should have gone</p> <p>22 all the way across and it will in the final version we</p> <p>23 circulate for -- for public comment.</p> <p>24 Section H, all funds returned to the</p> <p>25 Commission pursuant to Subsection (G) shall be returned</p>	<p>1 where candidates have come back, in some cases, months</p> <p>2 after the campaigns have closed out and said, hey, I</p> <p>3 forgot to note that I had this bill and I've got to pay</p> <p>4 it and I need the Fund to reimburse me for this because</p> <p>5 of a campaign expense.</p> <p>6 And that's not efficient for the Fund and</p> <p>7 this reinforces on candidates that they've got to be on</p> <p>8 top of their bookkeeping just like the audit rules do</p> <p>9 and the other things -- steps we're taking, but it also</p> <p>10 makes clear that they can't use this rule to exceed the</p> <p>11 spending limits they've agreed to. So they've got to</p> <p>12 be on top of things. And the rules we passed a couple</p> <p>13 of months ago about needing to get invoices up front</p> <p>14 and all that kind of stuff, they should have a better</p> <p>15 handle on this based on all the rules.</p> <p>16 The rules, if you will, that we've passed</p> <p>17 over the course of the last couple of -- over the last</p> <p>18 six months or so have all been designed to -- on the</p> <p>19 one hand, you know, they are demonstrating to</p> <p>20 candidates that they bear a responsibility, but on the</p> <p>21 other hand, they are demonstrating to clean candidates</p> <p>22 that, you know, there are -- if they follow the rules,</p> <p>23 they won't have these issues arise. And that's what</p> <p>24 we're trying to do is create, essentially, prophylactic</p> <p>25 rules that say, look, do this by the book and you're</p>		
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<p>1 to the Fund by a cashier's check drawn on the</p> <p>2 candidate's campaign bank account and any fee is deemed</p> <p>3 a direct campaign expenditure. So what does that rule</p> <p>4 do? That's a -- all these rules are of a piece --</p> <p>5 they're housekeeping rules.</p> <p>6 One of the issues that we face from an</p> <p>7 administrative perspective when we wrap up Clean</p> <p>8 Elections campaigns is that candidates will write us a</p> <p>9 check with the remainder, but it is administratively</p> <p>10 inefficient to send checks one by one to the -- to the</p> <p>11 state office that processes the checks. So we end up</p> <p>12 having to hold them in a batch for efficiency purposes.</p> <p>13 That -- as a consequence, candidates occasionally face</p> <p>14 bank fees because they've got these outstanding checks.</p> <p>15 So if they close out their accounts with cashier's</p> <p>16 checks, their accounts are closed and they've got</p> <p>17 nothing else to worry about and we can more efficiently</p> <p>18 process the checks on a batch basis.</p> <p>19 Letter I, if a participating candidate does</p> <p>20 not account for outstanding expenditures in the amount</p> <p>21 of funds returned to the Commission, the candidate must</p> <p>22 reconcile the outstanding expenditures with personal</p> <p>23 monies and they may not exceed the per -- the primary</p> <p>24 general election spending limits. So what that says</p> <p>25 is -- essentially, we've had a couple of instances</p>	<p>1 not going to have this come up, but this has come up in</p> <p>2 the past and it's just not an efficient use of the Fund</p> <p>3 to be going in and out for, you know, a couple of</p> <p>4 hundred dollars that ought to have been accounted for</p> <p>5 before monies are returned.</p> <p>6 And then, finally, Subsection J deals with</p> <p>7 a specific issue which is occasionally, whether it's</p> <p>8 through an audit or a return of funds, the cost of</p> <p>9 collecting or cashing that check actually exceeds the</p> <p>10 amount of the return. And given that the -- the</p> <p>11 Commission's rule is to see that money is expended from</p> <p>12 the Fund as it should be and not otherwise, you know,</p> <p>13 that kind of fiduciary-like language means that, you</p> <p>14 know, when the Fund is making expenditures that are</p> <p>15 greater than the value of the income, right, that</p> <p>16 there's a balance. It means that it's better to just</p> <p>17 let those go as de minimus -- de minimus returns and</p> <p>18 the Commission would be notified on those waivers.</p> <p>19 So taken together, what these rules G2, H,</p> <p>20 I and J, as well as the clean-up of G1, essentially</p> <p>21 will -- are largely bureaucratic rules, but they</p> <p>22 bookend the rules we're working on in terms of the</p> <p>23 invoicing and the auditing to make sure that clean</p> <p>24 candidates are on top of their game. And, you know, as</p> <p>25 I often say, you know, clean candidates face more</p>		

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<p>1 scrutiny than any other candidate or any independent</p> <p>2 spender in the system, and so I think this is a good --</p> <p>3 a good step to close that out. It resolves that.</p> <p>4 And, again, I would stress this is only for</p> <p>5 public comment so we're going to -- we will take these</p> <p>6 rules. We will put them in a formal notice document</p> <p>7 that we'll submit to the Secretary of State's Office</p> <p>8 for publication, but we would ask that you approve</p> <p>9 Items G, H -- well, a guess I would just say the</p> <p>10 amendments to R2-20-2 --106 for public comment.</p> <p>11 COMMISSIONER CHAN: Mr. Chairman?</p> <p>12 CHAIRMAN TITLA: Commissioner Chan.</p> <p>13 COMMISSIONER CHAN: Mr. Chairman, Tom, I</p> <p>14 have a question about J3 contains an "and" which makes</p> <p>15 me think -- should that be an "or"? And then on Number</p> <p>16 4, I'm just not sure what that means: "The Commission</p> <p>17 is notified" --</p> <p>18 MR. COLLINS: Well --</p> <p>19 COMMISSIONER CHAN: We may waive the return</p> <p>20 of funds if the Commission is notified of any waiver</p> <p>21 the return of funds? I'm not sure what that means.</p> <p>22 MR. COLLINS: So the way -- Commissioner --</p> <p>23 Chairman Titla, Commissioner Chan, the way we</p> <p>24 envisioned this working is that first the staff would</p> <p>25 determine the amount to be de minimus, and they would</p>		<p>1 COMMISSIONER CHAN: Okay. Thank you.</p> <p>2 CHAIRMAN TITLA: Any further comments,</p> <p>3 Commissioners?</p> <p>4 COMMISSIONER MEYER: Mr. Chairman?</p> <p>5 CHAIRMAN TITLA: Commissioner Meyer.</p> <p>6 COMMISSIONER MEYER: I have a few comments</p> <p>7 on -- starting with Section G. Is there a deadline</p> <p>8 that we want to put in here for the time in which they</p> <p>9 need to return the funds?</p> <p>10 MR. COLLINS: I think -- I think that</p> <p>11 deadline is set in -- I'm looking to Sara. I think</p> <p>12 it's within 10 days? Is that correct?</p> <p>13 COMMISSIONER MEYER: In E?</p> <p>14 MR. COLLINS: And so that's in E.</p> <p>15 COMMISSIONER MEYER: Okay. And then on</p> <p>16 Subsection I, does the rule essentially say, you know,</p> <p>17 once a clean candidate returns the unused funds you're</p> <p>18 not going to give them back to pay for any more</p> <p>19 expenses?</p> <p>20 MR. COLLINS: That's essentially correct,</p> <p>21 with the caveat that they still have to follow the</p> <p>22 agreement in terms of their own limits. In other</p> <p>23 words, they are limited severely on how much personal</p> <p>24 money they can spend and/or how much seed money they</p> <p>25 can spend and they're not allowed to spend that money</p>	
09:54:45-09:56:18	Page 23	09:57:27-09:58:34	Page 25
<p>1 do that by determining the cost for recovery exceeds</p> <p>2 the amount returned. There's a limit of \$25. So, in</p> <p>3 other words, in no event would a return in excess of</p> <p>4 \$25 be considered de minimus.</p> <p>5 And then the Commission would receive</p> <p>6 notice likely in the form of either an email from staff</p> <p>7 or in the executive director's report that this waiver</p> <p>8 had occurred. So that you're aware of the -- you know,</p> <p>9 of that. And that would be the process. In other</p> <p>10 words, you know, it's not a -- it's not an approval</p> <p>11 type of a rule. It's more of an FYI, we've done this,</p> <p>12 which provides an opportunity, obviously, for the</p> <p>13 Commission to weigh in if it wants to, but the -- the</p> <p>14 thought would be that, you know, we do feel like we're</p> <p>15 obligated -- we provide notice to you about when we</p> <p>16 close out enforcements under the executive director's</p> <p>17 authority, those kinds of things.</p> <p>18 It's really an FYI that we've done this.</p> <p>19 We don't know how often this is going to come up. We</p> <p>20 think rarely because, frankly, in our experience, this</p> <p>21 has come up not often. And so we just think that --</p> <p>22 but it does help us with ticky-tack issues that may</p> <p>23 arise in an audit or in a -- at the end of a campaign.</p> <p>24 And then you'll know that that happened and we can keep</p> <p>25 track of it that way.</p>		<p>1 after the process. So they could face -- so if this</p> <p>2 was a serious amount of money, they would face</p> <p>3 potential enforcement for violating those -- those</p> <p>4 statutes.</p> <p>5 And Sara can detail that a little more.</p> <p>6 MS. LARSEN: Yeah. Chairman, Commissioner</p> <p>7 Meyer, candidates also, when these return of funds are</p> <p>8 determined, they have a campaign finance report that's</p> <p>9 due. It's a Clean Elections campaign finance report.</p> <p>10 So we know the amount of money that candidates need to</p> <p>11 return to the Clean Elections Fund, and when they file</p> <p>12 that campaign finance report, they're certifying that</p> <p>13 they have accounted for all of their transactions for</p> <p>14 that reporting period.</p> <p>15 So that is how we have, you know, our best</p> <p>16 knowledge of -- of all the transactions that have</p> <p>17 occurred and this is the money coming back to us. So</p> <p>18 if they are on top of all of their expenditures, they</p> <p>19 should have all of their expenditures accounted for in</p> <p>20 those campaign finance reports and they should be true</p> <p>21 and accurate at that time and the amount that they</p> <p>22 return to us should be correct.</p> <p>23 In the past, we have had candidates come</p> <p>24 back to us months later and say, oh, I received this</p> <p>25 late bill and I need to have this paid for. Well, that</p>	

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<p>1 causes an internal problem in our office because we</p> <p>2 have to go through a special process to have checks cut</p> <p>3 to candidates, and it's quite lengthy. It's an</p> <p>4 involved process, and so we have to go through and have</p> <p>5 that done and get a check returned back to them and</p> <p>6 then they have to have their finance report amended.</p> <p>7 So this, essentially, would say when you</p> <p>8 file that campaign finance report to return your funds,</p> <p>9 that you are accounting for all of your campaign</p> <p>10 finance activity for that election cycle. And they</p> <p>11 should know all of -- you know, anything that's</p> <p>12 outstanding. And we do have a rule that allows them to</p> <p>13 hold for 30 days an amount of money for bills that</p> <p>14 might come in. They just need to let us know that they</p> <p>15 have an amount outstanding for -- for bills that might</p> <p>16 come in late or that they haven't received yet.</p> <p>17 So we already do have a rule for that. So</p> <p>18 this really just shores up that, that they stay on top</p> <p>19 of their books and that they really are accounting for</p> <p>20 all of their expenditures in their campaign finance</p> <p>21 reports.</p> <p>22 COMMISSIONER MEYER: Mr. Chairman?</p> <p>23 CHAIRMAN TITLA: Commissioner Meyer.</p> <p>24 COMMISSIONER MEYER: I agree with all of</p> <p>25 that. I suggest that we consider putting something in</p>	<p>1 simply add the sentence, if this works for everyone, no</p> <p>2 further reimbursements from the Clean Elections Fund</p> <p>3 shall be permitted. And then the next sentence would</p> <p>4 be participating candidates may not exceed the general</p> <p>5 election. I don't know if everybody got that or</p> <p>6 anybody got that. Sara got it so that's the most</p> <p>7 important thing.</p> <p>8 So maybe, Sara, if you could read that back</p> <p>9 just real quick for the -- so we have it on the record.</p> <p>10 MS. LARSEN: Yes. Chairman, so Rule</p> <p>11 R2-20-106, Subsection I would state: If a</p> <p>12 participating candidate does not account for any</p> <p>13 outstanding expenditures in the amount of funds</p> <p>14 returned to the Commission, the participating candidate</p> <p>15 must reconcile the outstanding expenditures with</p> <p>16 personal monies. And then new sentence: No further</p> <p>17 reimbursements from the Clean Elections Fund shall be</p> <p>18 permitted. Participating candidates may not exceed the</p> <p>19 primary or general election spending limits.</p> <p>20 COMMISSIONER MEYER: One thought. On the</p> <p>21 sentence you propose, I would maybe suggest saying</p> <p>22 once -- once funds are returned to the Commission,</p> <p>23 comma, then what you had added.</p> <p>24 MR. COLLINS: Okay.</p> <p>25 COMMISSIONER MEYER: Let's take a look at</p>		
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<p>1 the rule and make it more clear that once you return</p> <p>2 the funds, you can't come back to the Commission and</p> <p>3 ask for it to pay bills that you didn't submit. I</p> <p>4 understand -- I think we could maybe clear that up a</p> <p>5 little bit because it's kind of implicit in the rule</p> <p>6 and maybe we can make it more explicit. That's the</p> <p>7 only -- that was where I was going with that.</p> <p>8 MR. COLLINS: And, Mr. Chairman,</p> <p>9 Commissioner Meyer, we can do that now given that we</p> <p>10 haven't circulated these at all. I mean, we can add a</p> <p>11 sentence to H that say -- or I, rather, if a</p> <p>12 participating candidate does not account for the --</p> <p>13 must reconcile. We could add, between "participating</p> <p>14 candidate," no further reimbursements will be</p> <p>15 permitted.</p> <p>16 COMMISSIONER MEYER: Yeah. Mr. Chairman,</p> <p>17 I'm not saying you need to draft it now.</p> <p>18 MR. COLLINS: Okay.</p> <p>19 COMMISSIONER MEYER: I just thought it was</p> <p>20 a suggestion to make --</p> <p>21 MR. COLLINS: Okay. Well, I guess -- I</p> <p>22 guess what I -- I guess what I'm try to say is it would</p> <p>23 be easier to add that now than it would be later.</p> <p>24 COMMISSIONER PATON: Yeah.</p> <p>25 MR. COLLINS: So my suggestion would be to</p>	<p>1 that.</p> <p>2 MS. LARSEN: Okay.</p> <p>3 MR. COLLINS: Okay. So -- so in terms of</p> <p>4 making the record clear, I think that what I would</p> <p>5 recommend, if everybody is -- and you guys can talk</p> <p>6 about this more, obviously, Mr. Chairman, but,</p> <p>7 Mr. Chairman, Commissioners, what I would recommend is</p> <p>8 that we circulate the amendment -- that we authorize</p> <p>9 circulation of the amendments to R2-20-106 and then --</p> <p>10 and then including the language that Ms. Larsen has</p> <p>11 drafted. So I think that the record will be fairly</p> <p>12 clear at that point. I mean, we have everything on</p> <p>13 the -- on the record there.</p> <p>14 Paula, do you have any further thoughts on</p> <p>15 that?</p> <p>16 MS. BICKETT: The only -- Mr. Chair,</p> <p>17 commission members, the only thing I would say is in</p> <p>18 your motion, if you could state the language --</p> <p>19 MR. COLLINS: Okay.</p> <p>20 MS. BICKETT: That would make it crystal</p> <p>21 clear, I believe.</p> <p>22 MR. COLLINS: Okay.</p> <p>23 MS. BICKETT: And Sara needs to repeat the</p> <p>24 language.</p> <p>25 MR. COLLINS: Sure.</p>		

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<p>1 MS. BICKETT: Including the beginning</p> <p>2 phrase that Commissioner Meyer had recommended.</p> <p>3 MR. COLLINS: Okay. Well, that would be</p> <p>4 helpful.</p> <p>5 Sara, can you could restate that. And then</p> <p>6 if there was a motion after that, that would be --</p> <p>7 sounds like that would complete the record.</p> <p>8 MS. LARSEN: Yes. Chairman, so, again,</p> <p>9 Rule R2-20-106, Subsection I would be: If a</p> <p>10 participating candidate does account for any</p> <p>11 outstanding expenditures in the amount of the funds</p> <p>12 returned to the Commission, the participating candidate</p> <p>13 must reconcile the outstanding expenditures with</p> <p>14 personal monies. Once funds are returned to the</p> <p>15 Commission, no further reimbursements from the Clean</p> <p>16 Elections Fund shall be permitted. Participating</p> <p>17 candidates may not exceed the -- exceed the primary or</p> <p>18 general election spending limits.</p> <p>19 COMMISSIONER MEYER: Mr. Chairman?</p> <p>20 CHAIRMAN TITLA: Commissioner Meyer.</p> <p>21 COMMISSIONER MEYER: I move that we</p> <p>22 circulate for comment R2-20-106 with the changes to</p> <p>23 Subsection I just read by Ms. Larsen.</p> <p>24 CHAIRMAN TITLA: Motion by Commissioner</p> <p>25 Meyer.</p>		<p>1 MR. COLLINS: So, Mr. Chairman, at this</p> <p>2 point, if Commissioner Kimble will withdraw his</p> <p>3 second --</p> <p>4 COMMISSIONER MEYER: I withdraw my motion.</p> <p>5 MR. COLLINS: And Commissioner Meyer</p> <p>6 withdraws his motion, we --</p> <p>7 CHAIRMAN TITLA: Okay. Commissioner</p> <p>8 Kimble, is that okay?</p> <p>9 COMMISSIONER KIMBLE: Yes, it is.</p> <p>10 CHAIRMAN TITLA: Commissioner Kimble</p> <p>11 withdraws his a second and Commissioner Meyer --</p> <p>12 Commissioner -- withdraws his motion for further</p> <p>13 changes.</p> <p>14 MR. COLLINS: And then -- and then we would</p> <p>15 have Sara read it off with the "shall."</p> <p>16 CHAIRMAN TITLA: A second -- a second item</p> <p>17 I was looking at --</p> <p>18 MR. COLLINS: Oh. We'll get them all.</p> <p>19 CHAIRMAN TITLA: -- Sara, is J4, the last</p> <p>20 sentence. It says, "The Commission is notified of any</p> <p>21 waiver the return of funds." So there's a word missing</p> <p>22 there, I think. Of?</p> <p>23 MS. LARSEN: Yes. Correct, Chairman. Yes.</p> <p>24 CHAIRMAN TITLA: If we can add "of" there,</p> <p>25 then change that word to must, "may" to must or shall.</p>	
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<p>1 Second?</p> <p>2 COMMISSIONER KIMBLE: Second.</p> <p>3 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>4 I have a comment, Sara, on discussion. On</p> <p>5 the -- I, again, you know, the last sentence about</p> <p>6 participating candidates --</p> <p>7 MS. LARSEN: Yes.</p> <p>8 CHAIRMAN TITLA: -- may not exceed the</p> <p>9 primary or general -- you know, that "may," the word</p> <p>10 "may" in the Oxford dictionary that I use, I think the</p> <p>11 word "may" -- and the prior sentence says "must," the</p> <p>12 participating candidates must reconcile, which is a</p> <p>13 mandatory which means must, shall, mandatory. Now, the</p> <p>14 word participating candidates may, "may" is sort of</p> <p>15 more, you know, varied there. It's not a mandatory</p> <p>16 type of thing. So I wonder whether it would help if we</p> <p>17 put down participating candidates must not exceed.</p> <p>18 COMMISSIONER MEYER: Or shall?</p> <p>19 CHAIRMAN TITLA: Or shall not exceed,</p> <p>20 right.</p> <p>21 COMMISSIONER MEYER: Although we just</p> <p>22 approved that.</p> <p>23 MR. COLLINS: Well, I don't think we took a</p> <p>24 vote.</p> <p>25 COMMISSIONER MEYER: Oh, okay. Right.</p>		<p>1 Shall. Shall not exceed, yeah. I think that's better.</p> <p>2 MS. LARSEN: Correct. Thank you.</p> <p>3 Okay. So, Chairman, the Rule R2-20-106,</p> <p>4 Subsection I would then read: If a participating</p> <p>5 candidate does not account for any outstanding</p> <p>6 expenditures in the amount of the funds returned to the</p> <p>7 Commission, the participating candidate must reconcile</p> <p>8 the outstanding expenditures with personal monies.</p> <p>9 Once the funds are returned to the Commission, no</p> <p>10 further reimbursements from the Clean Elections Fund</p> <p>11 shall be permitted. Participating candidates shall not</p> <p>12 exceed the primary or general election expenditure --</p> <p>13 primary or general election spending elements.</p> <p>14 MR. COLLINS: And the change in "I" would</p> <p>15 be that in -- Commission staff may waive the return of</p> <p>16 funds if the Commission staff determines the amount</p> <p>17 returned is de minimus, the cost of recovery exceeds</p> <p>18 the amount of the return, and the funds to be returned</p> <p>19 shall not exceed \$25, and the Commission is notified of</p> <p>20 any waiver of the return of funds.</p> <p>21 COMMISSIONER KIMBLE: That would be the</p> <p>22 change to J, I believe.</p> <p>23 MR. COLLINS: That's correct. So with</p> <p>24 those -- with my comments and Sara's comments which, I</p> <p>25 think, clears -- makes the record clear, that would be</p>	

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<p>1 what you would be approving, along with the other</p> <p>2 outlying changes for public comment on Rule R2-20-106.</p> <p>3 CHAIRMAN TITLA: Commissioner Meyer?</p> <p>4 COMMISSIONER MEYER: I had one other</p> <p>5 question on J. Sorry, Tom. On Number 2 where it says</p> <p>6 "The cost of recovery exceeds the amount of the</p> <p>7 return," how is that determined? And I wonder if you</p> <p>8 might want to have it say the Commission staff</p> <p>9 determines the cost of recovery would exceed the amount</p> <p>10 of the return just to give the staff some discretion</p> <p>11 there because I don't know how you would actually</p> <p>12 calculate that cost.</p> <p>13 MR. COLLINS: Right. And, Mr. Chairman,</p> <p>14 Commissioner Meyer, we have done an evaluation and</p> <p>15 Paula -- Paula Thomas provided some background</p> <p>16 information on that. So we do think that that's --</p> <p>17 that the \$25 is really the right threshold. I</p> <p>18 certainly don't have any objection to that at this</p> <p>19 point. I -- I guess -- I don't want to table these</p> <p>20 because I'd like -- we have this meeting to get these</p> <p>21 underway for the 60 days in order to get them in place</p> <p>22 before 2018.</p> <p>23 So we're going to need to -- this isn't</p> <p>24 major surgery, but I think what I -- what I'm going to</p> <p>25 do now you is read the entire rule that we are amending</p>	<p>1 On H we will say, All funds returned to the</p> <p>2 Commission pursuant to Subsection (G) of this rule,</p> <p>3 shall be returned to the Fund by a cashier's check</p> <p>4 drawn on the candidate's campaign bank account. Any</p> <p>5 fee associated with the issuance of a cashier's check</p> <p>6 shall be deemed a direct campaign expenditure and</p> <p>7 reported on the candidate's campaign finance report.</p> <p>8 If a participating candidate does not</p> <p>9 account for any outstanding expenditure in the amount</p> <p>10 of funds returned to the Commission, the participating</p> <p>11 candidate must reconcile the outstanding expenditures</p> <p>12 with personal monies. Once funds are returned to the</p> <p>13 Commission, no further reimbursements from the Clean</p> <p>14 Elections Fund shall be permitted. Participating</p> <p>15 candidates shall not exceed the primary or general</p> <p>16 election spending limits.</p> <p>17 Then Subsection J: The Commission staff</p> <p>18 may waive the return of funds if: The Commission staff</p> <p>19 determines the amount to be returned is de minimus; the</p> <p>20 Commission -- the cost -- the Commission staff</p> <p>21 determines the cost of recovery exceeds the amount of</p> <p>22 the return; the funds to be returned shall not exceed</p> <p>23 \$25, and the Commission is notified of any waiver of</p> <p>24 the return of funds.</p> <p>25 So that -- those are the changes that I</p>		
10:09:04-10:10:24	Page 35	10:11:51-10:12:52	Page 37
<p>1 and have everybody -- see if we caught everything. And</p> <p>2 then if we have -- sorry, Paula.</p> <p>3 MS. THOMAS: Can we consider the accounting</p> <p>4 cost? The accounting --</p> <p>5 MR. COLLINS: Well, I think the issue is</p> <p>6 just does staff -- as staff we can account whatever</p> <p>7 however we want to. So we'd have discretion.</p> <p>8 MS. THOMAS: Okay.</p> <p>9 MR. COLLINS: So -- so I am going to read</p> <p>10 the changes out, everything that everybody has</p> <p>11 discussed, and then that will be on the court</p> <p>12 reporter's record and we will adopt those changes into</p> <p>13 the formal document that we provide to the thing.</p> <p>14 So, Sara, I think I need you to give me the</p> <p>15 one piece that Damien wrote -- or Commissioner Meyer,</p> <p>16 rather, wrote out.</p> <p>17 Okay. So -- so here we go. What we are</p> <p>18 asking you to approve for preliminary comment is under</p> <p>19 G1, we will be eliminating the Subsection A from</p> <p>20 pursuant to A.R.S. 16-953. We will be cleaning up the</p> <p>21 "all" and eliminating the "of his or her." We will be</p> <p>22 underlining as new language all general funds not</p> <p>23 committed to expenditures, one, during the general</p> <p>24 election period and, two, for goods and services</p> <p>25 directed to the general period.</p>	<p>1 think this discussion has brought about, and that is</p> <p>2 what we would ask you to approve for public comment.</p> <p>3 Has our court reporter kept up? Are we --</p> <p>4 are we pretty cool?</p> <p>5 Okay. So unless there's any questions on</p> <p>6 that, we would suggest a motion on the language I just</p> <p>7 read for public comment.</p> <p>8 CHAIRMAN TITLA: Commissioners, any further</p> <p>9 changes or any motions to approve?</p> <p>10 COMMISSIONER MEYER: On J3, just to</p> <p>11 confirm, I think Tom read -- made one change here. You</p> <p>12 want it to stay the way it's written here, right? "The</p> <p>13 funds to be returned do not exceed \$25."</p> <p>14 MR. COLLINS: Right.</p> <p>15 COMMISSIONER MEYER: You put "shall" in</p> <p>16 there.</p> <p>17 MR. COLLINS: Mr. Chairman, Commissioner</p> <p>18 Meyer, I think -- I think Chairman -- Chairman Titla</p> <p>19 wanted a "shall" there, and so that's why we added a</p> <p>20 "shall," if I was tracking the discussion correctly.</p> <p>21 Am I correct, Mr. Chairman? I think you</p> <p>22 wanted "shall."</p> <p>23 CHAIRMAN TITLA: Yeah. I think mine was in</p> <p>24 I, but I think that's a good idea to put it in 3 also,</p> <p>25 shall not --</p>		

10:12:53-10:13:36	Page 38	10:15:29-10:16:24	Page 40
<p>1 MR. COLLINS: Okay. Okay. So we have two</p> <p>2 "shalls."</p> <p>3 CHAIRMAN TITLA: Yeah.</p> <p>4 MR. COLLINS: Okay.</p> <p>5 CHAIRMAN TITLA: Any further comments,</p> <p>6 Commissioners? Motion?</p> <p>7 COMMISSIONER KIMBLE: Mr. Chairman?</p> <p>8 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>9 COMMISSIONER KIMBLE: I move we publish for</p> <p>10 public comment the changes to R2-20-106 reflecting the</p> <p>11 language just read by Mr. Collins.</p> <p>12 CHAIRMAN TITLA: Motion made by</p> <p>13 Commissioner Kimble to approve.</p> <p>14 Second?</p> <p>15 COMMISSIONER MEYER: Second.</p> <p>16 CHAIRMAN TITLA: Commissioner Meyer</p> <p>17 seconds.</p> <p>18 All in favor say aye.</p> <p>19 (Chorus of ayes.)</p> <p>20 CHAIRMAN TITLA: Opposed?</p> <p>21 (No response.)</p> <p>22 CHAIRMAN TITLA: Abstain?</p> <p>23 (No response.)</p> <p>24 CHAIRMAN TITLA: The motion is carried</p> <p>25 unanimously.</p>		<p>1 Do you think that would be helpful to move</p> <p>2 on to the next step after that, or do you think you'd</p> <p>3 rather wait and talk about it in mass?</p> <p>4 MS. O'GRADY: So this would be approve --</p> <p>5 approving -- I'm sorry, Tom.</p> <p>6 MR. COLLINS: No, no, no.</p> <p>7 MS. O'GRADY: So we're just approving that</p> <p>8 we accept the Secretary's actions as being compliant</p> <p>9 with the ISA?</p> <p>10 MR. COLLINS: With respect to the</p> <p>11 publication. Correct.</p> <p>12 MS. O'GRADY: With respect to the</p> <p>13 publication? Yeah, they basically did what we asked</p> <p>14 them to do.</p> <p>15 MR. COLLINS: Right. So I don't know if</p> <p>16 you want a formal vote. I think it would be helpful</p> <p>17 to -- because we have a payment coming up and I don't</p> <p>18 want -- I don't think that either staff or -- anyone on</p> <p>19 staff wants to make the payment in view of everything</p> <p>20 without that -- we'd like to have that formally</p> <p>21 approved and then we'll move on to -- Mr. Archer from</p> <p>22 the Secretary is here to show you what all the work</p> <p>23 they have done otherwise, which I think is important.</p> <p>24 So -- and then we can move onto the legal</p> <p>25 stuff which is a little bit different. So if that</p>	
10:13:37-10:15:29	Page 39	10:16:28-10:17:32	Page 41
<p>1 Okay. Then we go to V, discussion and</p> <p>2 possible action on the following related issues, A,</p> <p>3 Citizens Clean Elections Section 16-941, -942, -956,</p> <p>4 -957.</p> <p>5 Mr. Collins?</p> <p>6 MR. COLLINS: Yes. Commissioner -- I mean,</p> <p>7 Chairman Titla, Commissioners, I think -- I think the</p> <p>8 most efficient way to work through this is first to --</p> <p>9 really A, B, C and D are interrelated, although we've</p> <p>10 broken them out so people can kind of follow along. I</p> <p>11 think that the first question -- and I'm going to look</p> <p>12 to Mary here. I think the first question is I think</p> <p>13 staff is recommending that the Commission, in effect,</p> <p>14 approve in some way the -- the republication of rules</p> <p>15 in the Administrative Code.</p> <p>16 That republication does include the GRRC</p> <p>17 notice, but it also includes our rules. So I think</p> <p>18 that's -- in my view, I think that's about as good as</p> <p>19 we're going to get under these circumstances. I think</p> <p>20 that roughly complies with the -- with the Interagency</p> <p>21 Service Agreement which we have entered into with</p> <p>22 the -- with the Commission. So I think we'd ask you to</p> <p>23 go ahead and approve those as being consistent with the</p> <p>24 Interagency Service Agreement, if I'm not mistaken,</p> <p>25 Mary.</p>		<p>1 works for Mary and it works for the Commission --</p> <p>2 MS. O'GRADY: That makes --</p> <p>3 MR. COLLINS: Yeah.</p> <p>4 MS. O'GRADY: Yeah. Mr. Chairman, Members,</p> <p>5 I think -- Commissioners, I think that makes sense. We</p> <p>6 gave them a notice of breach letter. They responded by</p> <p>7 doing what we asked them to do, and so I think it makes</p> <p>8 sense to follow Tom's recommendation and take action</p> <p>9 that will allow the ISA to move forward.</p> <p>10 MR. COLLINS: Right. So -- so the motion</p> <p>11 we are looking for is that the Commission finds that</p> <p>12 the -- that the -- that the Secretary's republication</p> <p>13 of the Commission's rules in the Administrative Code</p> <p>14 substantially complies with the Interagency Service</p> <p>15 Agreement.</p> <p>16 CHAIRMAN TITLA: Comments, Commissioners?</p> <p>17 COMMISSIONER KIMBLE: Mr. Chairman,</p> <p>18 Mr. Collins.</p> <p>19 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>20 COMMISSIONER KIMBLE: I'm struggling to</p> <p>21 find something that was included in our email. We have</p> <p>22 here what the Secretary of State's Office -- I believe</p> <p>23 this is item V.C --</p> <p>24 MR. COLLINS: Yeah.</p> <p>25 COMMISSIONER KIMBLE: -- 5C now has</p>	

10:17:33-10:18:57	Page 42	10:20:53-10:22:31	Page 44
<p>1 published.</p> <p>2 MR. COLLINS: Right.</p> <p>3 COMMISSIONER KIMBLE: But I believe in the</p> <p>4 material that you emailed to us, there was also an</p> <p>5 index, is that correct, that's not included here?</p> <p>6 MR. COLLINS: We sent you the whole</p> <p>7 Administrative Code. We -- for the purposes of this</p> <p>8 packet, I limited it to what -- the most relevant</p> <p>9 sections. In the table of contents, if you look to</p> <p>10 page 1 -- it's not on page 1. There is a table of</p> <p>11 contents on page 2 which you don't have because I</p> <p>12 didn't think it was necessary, and that table of</p> <p>13 contents outlines first the Commission's rule and then</p> <p>14 the GRRC revision. So they're both there, but the most</p> <p>15 important one, from our perspective, is that the</p> <p>16 Commission's rule is there.</p> <p>17 COMMISSIONER KIMBLE: Well, it was my</p> <p>18 recollection that when it came to the disputed items,</p> <p>19 that in the index all it said was "expired."</p> <p>20 MR. COLLINS: Mr. Chairman, Commissioner</p> <p>21 Kimble, that was certainly the case with the prior</p> <p>22 iterations of the publication of the -- of the</p> <p>23 Administrative Code. I would have to double-check if</p> <p>24 that's still the case in the index and, if so, given</p> <p>25 that -- I would have to -- hang on. If you bear with</p>	<p>1 And then it said -- under Disputed Section R2-20-111,</p> <p>2 it said "nonparticipating reporting requirements and</p> <p>3 contribution limits," and then it said "expired."</p> <p>4 So that's the table of contents that's on</p> <p>5 page -- that's on page 1 which you didn't receive in</p> <p>6 the limited packet, but you did receive in the email.</p> <p>7 What I would say about that is, yes, that, in fact, the</p> <p>8 expiration -- and you can look at this, what I'm</p> <p>9 looking at right here. While you are looking at that,</p> <p>10 I would simply say that the expiration is still noted</p> <p>11 in the -- in the Administrative Code, but our major</p> <p>12 purpose has been to ensure that our language of the</p> <p>13 rule was there too.</p> <p>14 So if you recall last month, the expiration</p> <p>15 was there without our rule. Now the Secretary of State</p> <p>16 acting, I think, more consistently with what it has</p> <p>17 said its role is as a publisher, has essentially</p> <p>18 published both the expiration and the rule. And from</p> <p>19 our perspective, the most -- or at least from staff's</p> <p>20 perspective, I should say, the most important thing in</p> <p>21 this particular context was to ensure that the rule</p> <p>22 that we have promulgated is there.</p> <p>23 And then we have some other discussion to</p> <p>24 have post this about that and it may be better, then,</p> <p>25 to move that into that -- into that broader discussion</p>		
10:19:02-10:20:50	Page 43	10:22:34-10:23:45	Page 45
<p>1 me, I will --</p> <p>2 COMMISSIONER KIMBLE: Okay. I guess what</p> <p>3 I'm looking for is you included in here pages 8 --</p> <p>4 MR. COLLINS: Right.</p> <p>5 COMMISSIONER KIMBLE: -- and forward. What</p> <p>6 is page 7?</p> <p>7 MR. COLLINS: Page 7 is just Rule 107.</p> <p>8 COMMISSIONER KIMBLE: Okay, or whatever the</p> <p>9 index to this section is.</p> <p>10 MR. COLLINS: Yes.</p> <p>11 COMMISSIONER KIMBLE: My concern with the</p> <p>12 index was there was no indication in the index, if you</p> <p>13 never went beyond that, that there was any concern.</p> <p>14 MR. COLLINS: I follow -- I follow your</p> <p>15 question. I am trying to call up the full -- the full.</p> <p>16 COMMISSIONER CHAN: I can't find it either.</p> <p>17 MR. COLLINS: I'm trying to call -- if</p> <p>18 you'll bear with me. I am searching for the -- okay.</p> <p>19 So the original document that was emailed to you was 29</p> <p>20 pages, and it did not include the index to the</p> <p>21 Administrative Code. It included a table of contents</p> <p>22 that on page -- page 1 of the table of contents under</p> <p>23 "General Provisions," it said -- under the heading</p> <p>24 "Disputed Section R2-20-109," it said "independent</p> <p>25 expenditure reportings," and then it said "expired."</p>	<p>1 and hold on approval so you can get that information in</p> <p>2 the context of the legal advice. That might be better.</p> <p>3 COMMISSIONER KIMBLE: Okay. Mr. Chair,</p> <p>4 Mr. Collins, in this statement we were just handed</p> <p>5 which is what we were emailed --</p> <p>6 MR. COLLINS: Yes.</p> <p>7 COMMISSIONER KIMBLE: -- reflects my</p> <p>8 concern that if I am a candidate and I'm looking</p> <p>9 through the index here, general provisions, and I come</p> <p>10 down to disputed Section R2-20-109, it says "expired."</p> <p>11 So with no --</p> <p>12 MR. COLLINS: Correct.</p> <p>13 COMMISSIONER KIMBLE: -- with no further</p> <p>14 explanation other than it says disputed, but are you</p> <p>15 comfortable with that in the index being an accurate</p> <p>16 reflection of what's in the actual document?</p> <p>17 MR. COLLINS: Well, let me -- let me say</p> <p>18 this about that. And, again, I would -- I would</p> <p>19 suggest that there's -- there are some broader legal</p> <p>20 issues that we might want to discuss in executive</p> <p>21 session, but for purposes of your question,</p> <p>22 Mr. Chairman, Commissioner Kimble, I believe this is as</p> <p>23 good as it's going to get right now and that the most</p> <p>24 important thing is that candidates have notice that</p> <p>25 there is, in fact, a rule that applies to the</p>		

10:23:48-10:24:56	Page 46	10:26:23-10:27:30	Page 48
<p>1 traditional candidates and, likewise, the independent</p> <p>2 spenders know that there's a rule that's applied to</p> <p>3 them.</p> <p>4 The fact that there's a dispute over that</p> <p>5 rule is a publicly known fact. So it's not -- it's</p> <p>6 like -- it's not like they're publishing anything that</p> <p>7 people don't already know, but you know, again, I think</p> <p>8 the question is if we want to defer action on approving</p> <p>9 that particular aspect, it would be better to have that</p> <p>10 in the context of how this fits into our broader legal</p> <p>11 discussion which Mary can do if you want to move into</p> <p>12 executive session, and then the only question becomes</p> <p>13 do you want to look at the progress that the See the</p> <p>14 Money program itself has made which Mr. Archer is here</p> <p>15 to present before or after that executive session.</p> <p>16 COMMISSIONER KIMBLE: Well, Mr. Chairman, I</p> <p>17 would be happy to see the progress on the See the</p> <p>18 Money.</p> <p>19 MR. COLLINS: Okay. So --</p> <p>20 COMMISSIONER KIMBLE: Before so we don't</p> <p>21 inconvenience Mr. Archer.</p> <p>22 MR. COLLINS: Okay. So, Mr. Chairman, if</p> <p>23 that -- if that meets your fancy, I would -- I would</p> <p>24 recommend that we let Mr. -- Mr. Archer provided a memo</p> <p>25 that, putting aside the publication issue, outlines the</p>		<p>1 in, we're satisfied with, and we think we have</p> <p>2 developed -- we have a good working relation with the</p> <p>3 Secretary's office, Mr. Archer and the rest of the</p> <p>4 folks there. So I think if Mr. Archer can step to the</p> <p>5 podium and make it all -- do his magic, that would be</p> <p>6 great.</p> <p>7 MR. ARCHER: Thank you, Tom.</p> <p>8 CHAIRMAN TITLA: Mr. Archer.</p> <p>9 MR. ARCHER: Thank you, Chairman,</p> <p>10 Commissioners, my name is Garrett Archer. I am the IT</p> <p>11 project manager specifically for See the Money, and I'm</p> <p>12 very excited to be here today to show you the progress</p> <p>13 that we've made on the application.</p> <p>14 As Tom noted, it is an internal beta</p> <p>15 release right now. We are going -- undergoing</p> <p>16 extensive quality assurance testing. The data is --</p> <p>17 it's using real data, but every once in a while,</p> <p>18 there's still some things that we have to look at and</p> <p>19 say, okay, we need to reframe this data set a certain</p> <p>20 way to make sure that it accurately reflects how the</p> <p>21 data is actually reported, but other than that, we're</p> <p>22 very excited how the data is being presented. And we</p> <p>23 are confident that we're going to make our October 31st</p> <p>24 public beta release.</p> <p>25 And at that point, we're going to basically</p>	
10:24:59-10:26:19	Page 47	10:27:33-10:29:05	Page 49
<p>1 progress that they have made. I can say without</p> <p>2 hesitation that Sara and I have been at every meeting</p> <p>3 regarding the development of this program and process.</p> <p>4 We've been updated on it.</p> <p>5 We have seen it develop, and we are putting</p> <p>6 all the -- putting everything else -- you know, this</p> <p>7 rule issue is important because the rule relates to the</p> <p>8 reports and the reports relate to authority and then</p> <p>9 all of it fits together in the ISA; however, while this</p> <p>10 issue has been discussed, Sara and I have continued to</p> <p>11 attend meetings and the Secretary's office and the IT</p> <p>12 staff, including Mr. Archer and others, have been there</p> <p>13 and listening to us and engaging -- we've been engaging</p> <p>14 with them.</p> <p>15 And so it's been a very positive working</p> <p>16 relationship, and I think some positive things have</p> <p>17 come from it. And Mr. Archer is able to -- I think, if</p> <p>18 we have the computer system set up, to show you some of</p> <p>19 the -- some of the pieces of this on a preliminary</p> <p>20 basis, granted the data here has not been cleaned.</p> <p>21 This is sort of a mockup, but it shows the</p> <p>22 functionality.</p> <p>23 And I guess I'd turn it to over to him, but</p> <p>24 with the idea that putting all of the legal issues</p> <p>25 aside, the work product Sara and I have been involved</p>		<p>1 engage the community for their feedback, their input in</p> <p>2 anticipation of our January general availability</p> <p>3 release which will begin the process of the onboarding</p> <p>4 of -- of other jurisdictions which fits into our full</p> <p>5 goal of providing a campaign finance reporting tool</p> <p>6 that doesn't just include state data but also data from</p> <p>7 other jurisdictions.</p> <p>8 So I was told to do this just to make sure</p> <p>9 it works. There we go. Okay. So this is the landing</p> <p>10 page as it stands right now. The logo will change. We</p> <p>11 have not branded this site yet so there are no -- there</p> <p>12 are no disclosure statements. The logo is not up yet,</p> <p>13 but this is the -- the landing page as it will be</p> <p>14 presented on the public beta with the disclosures and</p> <p>15 the branding.</p> <p>16 I'm going to start with the elections</p> <p>17 overview. This is where I cross my fingers. Okay.</p> <p>18 And this said, the data is not fully optimized quite</p> <p>19 yet. So --</p> <p>20 MR. COLLINS: And our system may be slow.</p> <p>21 I don't know.</p> <p>22 MR. ARCHER: Yeah, but it did work when I</p> <p>23 tested it here. So I'm going to try one more time.</p> <p>24 Here we go.</p> <p>25 Okay. So as you can see, this is the</p>	

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<p>1 elections overview page. This is where an enduser</p> <p>2 would go to see, you know, a broad overview of -- did</p> <p>3 you have a question?</p> <p>4 MR. COLLINS: Now, I was just -- you know,</p> <p>5 for people who can't see this screen, there's a set of</p> <p>6 screens in the back.</p> <p>7 MR. ARCHER: Oh, okay.</p> <p>8 MR. COLLINS: If you want to look.</p> <p>9 MR. ARCHER: So this is a broad overview of</p> <p>10 the money that's been spent in 2016. The -- everything</p> <p>11 is color coordinated based on these entity types right</p> <p>12 here. So as you can see, SolarCity, for example, you</p> <p>13 hover over them, they've spent the most for 2016, and</p> <p>14 it goes down from there. There's -- there's you. And</p> <p>15 then we have -- orange is individuals and vice versa.</p> <p>16 This is a pie chart that basically shows just an</p> <p>17 overall amount that's been spent based on the</p> <p>18 percentages. So this is -- and then we -- yes.</p> <p>19 COMMISSIONER CHAN: Mr. Taylor,</p> <p>20 Mr. Chairman, this is -- this is already fascinating to</p> <p>21 me. This is over every committee, what was given over</p> <p>22 the whole election cycle last time?</p> <p>23 MR. ARCHER: Mr. Chairman, Commissioner</p> <p>24 Chan, that is correct. Yeah.</p> <p>25 COMMISSIONER CHAN: That's really</p>	<p>1 and then when an enduser is going through this</p> <p>2 information, they will -- they'll be able to say, well,</p> <p>3 green will mean PACs, parties and whatnot. So it's</p> <p>4 always going to be consistent across the board.</p> <p>5 One of the things that we're very excited</p> <p>6 about right now is in the organizations tab, these are</p> <p>7 the -- you know, a lot of these are made up of</p> <p>8 501(c)(4)s. If you click on these people -- on this</p> <p>9 organization, you get their expenses; however, when you</p> <p>10 go into the info view which is kind of the vitals page</p> <p>11 for everything, it gives the vitals that are reported</p> <p>12 to us. This is their -- the reports that they file.</p> <p>13 And then we've tapped into ProPublica to</p> <p>14 actually pick up their 990 information. So all of</p> <p>15 the -- any organization 501(c)(4) that files with the</p> <p>16 IRS -- obviously, they all do -- we will have whatever</p> <p>17 their most recent filing on their info page.</p> <p>18 MR. COLLINS: Right. And, if I may,</p> <p>19 Mr. Chairman, Commissioners, I mean, the 990 thing, I</p> <p>20 think, is very helpful. It's -- it is an interesting</p> <p>21 dynamic because the 990 comes a year after the</p> <p>22 election, basically. So --</p> <p>23 MR. ARCHER: Yeah.</p> <p>24 MR. COLLINS: So -- well, whereas the</p> <p>25 campaign finance reports and our -- our reports, the</p>		
10:30:11-10:31:19	Page 51	10:32:36-10:33:47	Page 53
<p>1 fascinating.</p> <p>2 COMMISSIONER MEYER: This is real info.</p> <p>3 This not --</p> <p>4 MR. ARCHER: This is -- yeah. This is real</p> <p>5 info. As I said, the data might not be either</p> <p>6 optimized or sometimes it's not categorized correctly,</p> <p>7 and you have to work with the development team to make</p> <p>8 sure that when they do their schematic changes, that it</p> <p>9 is -- they're not, you know, putting a condition</p> <p>10 someplace where it shouldn't be and then, you know,</p> <p>11 something happens. But this is as -- you know, I'm</p> <p>12 doing some extensive auditing of this information, and</p> <p>13 this is -- accurately reflects 2016 right now. Yes.</p> <p>14 So -- and we can click on these people. So</p> <p>15 you can click on an entity and it will bring up a data</p> <p>16 view of their income and expenses. You can see -- you</p> <p>17 can also download this information, and it will</p> <p>18 download everything across the filters that you have</p> <p>19 applied up here. And here's the -- for example, here's</p> <p>20 some of these committees. I don't -- I'm not sure</p> <p>21 these links work yet so I'm not going to click on them</p> <p>22 right now, but it will show the committee name, the</p> <p>23 name of the -- that group right there that received it.</p> <p>24 We can go through these. There's</p> <p>25 consistency across all of these tabs. So, you know --</p>	<p>1 16-941(d) reports that I mentioned in Garrett's memos</p> <p>2 are time sensitive, the 990 reports are sort of going</p> <p>3 to be things that you are going to be looking at in</p> <p>4 retrospect.</p> <p>5 MR. ARCHER: Yeah. Well, we're kind of at</p> <p>6 the mercy --</p> <p>7 MR. COLLINS: Yeah.</p> <p>8 MR. ARCHER: -- of the IRS.</p> <p>9 MR. COLLINS: Yeah.</p> <p>10 MR. ARCHER: And if you click on these</p> <p>11 PDFs, it will take you to the link of the actual 990.</p> <p>12 So we also have a very powerful search</p> <p>13 function here. We use some of the same techniques that</p> <p>14 Google and other search languages do -- or search</p> <p>15 engines do where you can type in any part of a record</p> <p>16 and you'll get -- and, of course, now that I'm showing</p> <p>17 you this, as you can see, there's a lot of -- just to</p> <p>18 address this, one of the things that we are working on</p> <p>19 for our January release is a name normalization.</p> <p>20 It's an extremely extensive process, but</p> <p>21 one of our big goals is to make sure that when I type</p> <p>22 in "Michelle Reagan" as a user or whoever, it will show</p> <p>23 one entity rather than, you know, multiple -- multiple.</p> <p>24 So -- but, you know, it's not just that. I can also --</p> <p>25 come on. Okay. I can also say -- I live on Olive</p>		

10:33:51-10:35:03	Page 54	10:36:35-10:37:27	Page 56
<p>1 Avenue so I can also type in my street name and see who</p> <p>2 in my area or on Olive Avenue has donated as well and</p> <p>3 is in the campaign finance system. So -- and this</p> <p>4 works across cities. You know, anything that's in the</p> <p>5 record, essentially, we can basically tie into that</p> <p>6 search function.</p> <p>7 Let's see. Here are the filters. This is</p> <p>8 where you would go to make alterations to your query.</p> <p>9 Sorry. I think the mouse is losing functionality here.</p> <p>10 I'm sorry.</p> <p>11 MR. COLLINS: The mouse is very far away</p> <p>12 from its home.</p> <p>13 MR. ARCHER: Yeah. So -- and this is -- as</p> <p>14 you see, this is -- this is all the office -- this is</p> <p>15 all the filters that you can use. I anticipate -- when</p> <p>16 I was sitting here I -- I'm going to anticipate putting</p> <p>17 a filter on here to actually also filter out Clean</p> <p>18 Elections candidates as well. So you can just click on</p> <p>19 the filter and when you go into candidate page, it will</p> <p>20 only reflect Clean Elections participants, but -- and</p> <p>21 this, you know, I can -- I can change this.</p> <p>22 COMMISSIONER KIMBLE: Excuse me. Could I</p> <p>23 ask you one question? Do you have historical data in</p> <p>24 here, too, going back -- I saw quite a few years here.</p> <p>25 Do you have historical data entered from --</p>	<p>1 vitals as well as the file reports, the PDF reports.</p> <p>2 COMMISSIONER CHAN: May I ask,</p> <p>3 Mr. Chairman, Mr. Taylor [sic], what is the burn rate</p> <p>4 for a candidate?</p> <p>5 MR. ARCHER: Mr. Chairman, Commissioner</p> <p>6 Chan, the burn rate is simply a ratio of their expenses</p> <p>7 and their income for that quarter.</p> <p>8 COMMISSIONER CHAN: Oh, okay. How fast</p> <p>9 they spent the money they got?</p> <p>10 MR. ARCHER: Yeah. And if they had a</p> <p>11 certain cash on hand number, and then, you know, they</p> <p>12 spent 80 percent of it.</p> <p>13 COMMISSIONER CHAN: Okay.</p> <p>14 MR. ARCHER: For example.</p> <p>15 COMMISSIONER CHAN: Okay.</p> <p>16 MR. ARCHER: So that is pretty much the</p> <p>17 meat and potatoes right now. Everything -- as you can</p> <p>18 see, it's very consistent across the board.</p> <p>19 One other thing I guess I should point out</p> <p>20 as well is all of these graphs can be printed,</p> <p>21 downloaded, these images, and they can also be embedded</p> <p>22 into other websites. So you can get an embed code</p> <p>23 which you can then -- you know, if you are -- if you</p> <p>24 are a citizen, a concerned citizen that likes to blog</p> <p>25 about elections, you can pick one of these graphs. You</p>		
10:35:08-10:36:32	Page 55	10:37:30-10:38:40	Page 57
<p>1 MR. ARCHER: Mr. Chairman, Commissioner</p> <p>2 Kimble, we have data going back all the way from when</p> <p>3 we began doing computerized campaign finance systems.</p> <p>4 So it goes all the way back into the --</p> <p>5 COMMISSIONER KIMBLE: And it's searchable</p> <p>6 through See the Money?</p> <p>7 MR. ARCHER: Yes. That is correct. It</p> <p>8 is -- it is searchable all the way back to where we</p> <p>9 have records in our campaign finance database.</p> <p>10 So if I set this filter -- I'm going to go</p> <p>11 to something that's a little -- a little more exciting</p> <p>12 when I filter out. So this is the 2014 -- money spent</p> <p>13 in 2014. If I wanted to filter it some more, I could</p> <p>14 filter it by legislative -- there's a good one. So it</p> <p>15 will show -- there's how it's filtered now on those</p> <p>16 candidates. So -- and then -- sorry. The mouse is --</p> <p>17 and then here, down here is a timeline. It will show</p> <p>18 their expenses, their income, as well as their burn</p> <p>19 rate ratio over time. So these are the -- excuse me --</p> <p>20 the three graphs that power the system.</p> <p>21 All of this data, like I said, if you go</p> <p>22 into the data view, it can be downloaded by anybody</p> <p>23 with no problem. I can download all of this</p> <p>24 information right here. I can go to this info view</p> <p>25 page for the candidate and it will show all their</p>	<p>1 can pick up the embed code and then that graph will</p> <p>2 remain on your site. And then if the data --</p> <p>3 underlying data changes at any time, the graph will</p> <p>4 also change to reflect -- on your site it will reflect</p> <p>5 the changes. So it's not a static graph. It doesn't</p> <p>6 just pick up this data and move on. It actually picks</p> <p>7 up whatever is the newest information.</p> <p>8 COMMISSIONER MEYER: Mr. Chairman?</p> <p>9 CHAIRMAN TITLA: Commissioner Meyer.</p> <p>10 COMMISSIONER MEYER: Thank you for showing</p> <p>11 this. This is really amazing. So the chart on the</p> <p>12 left, I'm assuming that's to scale where you're</p> <p>13 hovering now?</p> <p>14 MR. ARCHER: Mr. Chairman, Commissioner</p> <p>15 Meyer, when you say "to scale," you mean this is a,</p> <p>16 say, 60-plus association? This -- so this -- yeah.</p> <p>17 The tree chart -- the tree chart is to reflect -- we</p> <p>18 chose it because we can display an enormous amount of</p> <p>19 data, but also, you know, we kind of intuitively know</p> <p>20 that most people who look at campaign finance data are</p> <p>21 kind of looking for who the big influencers are. So we</p> <p>22 chose this chart because it really does show the impact</p> <p>23 of the larger influencers and it kind of shows it</p> <p>24 across the board, you know.</p> <p>25 COMMISSIONER MEYER: So it is to scale?</p>		

10:38:43-10:39:41	Page 58	10:41:13-10:42:35	Page 60
<p>1 MR. ARCHER: It is to scale. Yes, sir.</p> <p>2 COMMISSIONER MEYER: So then the chart on</p> <p>3 the right, the pie chart or circle chart --</p> <p>4 MR. ARCHER: Uh-huh.</p> <p>5 COMMISSIONER MEYER: -- is that the same</p> <p>6 information as what's on the left, just in a different</p> <p>7 format?</p> <p>8 MR. ARCHER: Yes. That is an aggregated</p> <p>9 version of the chart on the left. So this one is</p> <p>10 showing the entities and how they spent it. That one</p> <p>11 is just showing everything within the IE. So that's</p> <p>12 PACs, 14 million. And then organizations gave 10</p> <p>13 million.</p> <p>14 COMMISSIONER MEYER: Okay.</p> <p>15 MR. ARCHER: And then one thing has to be</p> <p>16 clarified at some point, but it's somewhat obvious, but</p> <p>17 green means it was in support. Red means that it was</p> <p>18 against.</p> <p>19 COMMISSIONER MEYER: Got you.</p> <p>20 MR. ARCHER: It was money spent in</p> <p>21 opposition.</p> <p>22 And, then, I guess I'll just do one more</p> <p>23 here. This is the individuals. Let me go back to '16.</p> <p>24 I'm not going to do '17 because there's obviously no</p> <p>25 reports filed so there's no data. So this is money</p>	<p>1 form of a graphic while it's in beta release --</p> <p>2 obviously, once in beta release, we are going to</p> <p>3 maintain the link to the current reporting site and</p> <p>4 then that link will bring you to this site which we</p> <p>5 will then have the appropriate disclosures on, you</p> <p>6 know, everything that was in the ISA that reflects that</p> <p>7 this is a government site.</p> <p>8 And then at that point, after the -- after</p> <p>9 the release in January, that's when we would flip it</p> <p>10 over and actually have -- what we currently have is --</p> <p>11 you know, for the search, the finance database site or</p> <p>12 link in our site, it will then link to this.</p> <p>13 COMMISSIONER KIMBLE: And one other</p> <p>14 question -- and I apologize if this sounds petty, but</p> <p>15 what did we agree to, Mr. Collins, on the banner of it</p> <p>16 to show Secretary of State's Office, Clean Elections,</p> <p>17 or what did we agree on?</p> <p>18 MR. COLLINS: Well, as I think --</p> <p>19 Mr. Chairman, Commissioner Kimble, as Mr. Archer has</p> <p>20 alluded to, we have the provision of the ISA that</p> <p>21 explicitly says that -- basically, three things.</p> <p>22 There's a -- that both logos will be displayed on the</p> <p>23 site, and we've expressed -- and I think -- I think</p> <p>24 we're in general agreement that that's an appropriate</p> <p>25 thing to do because seethemoney.com is not on its own</p>		
10:39:45-10:41:07	Page 59	10:42:39-10:43:49	Page 61
<p>1 that was spent in '16 by individuals only. So, you</p> <p>2 know, you can see, for example, Mr. Hail over here, he</p> <p>3 gave a pretty sizable donation. So if I was a -- I</p> <p>4 could say, oh, what did Mr. Hail give to? And you can</p> <p>5 see that he gave to Prop 123.</p> <p>6 So that is what I have right now. As I</p> <p>7 said, we anticipate -- we are completely on schedule</p> <p>8 for an October 30th -- 31st release. In fact, we've</p> <p>9 put our money where our mouth is, as we've put on our</p> <p>10 site -- we've actually put an -- on the actual See the</p> <p>11 Money site, we now have a countdown because we are</p> <p>12 going to make that beta release.</p> <p>13 So -- and that is -- if you have any other</p> <p>14 questions, certainly I can do my best to answer them.</p> <p>15 COMMISSIONER MEYER: A budget for the</p> <p>16 trademark defense?</p> <p>17 CHAIRMAN TITLA: Any further comments?</p> <p>18 COMMISSIONER KIMBLE: Well, Mr. Chairman,</p> <p>19 so will -- I see it's seethemoney.com.</p> <p>20 Will there be a place on your page -- on</p> <p>21 the Secretary of State's page that directs people to</p> <p>22 it?</p> <p>23 MR. ARCHER: Mr. Chairman, Commissioner</p> <p>24 Kimble, yes. On our -- once the beta is -- we will</p> <p>25 make adjustments to the sos.gov site. You know, in the</p>	<p>1 going to tell anybody what this means. In other words,</p> <p>2 we know qualitatively and quantitatively that voters</p> <p>3 don't really trust information.</p> <p>4 So we want to have something on there that</p> <p>5 says this is government-verified information. And</p> <p>6 that's what that's there for, and then there's a paid</p> <p>7 for with Clean Elections money -- or clean -- money</p> <p>8 from the Clean Elections Fund. I don't have the exact</p> <p>9 phraseology that goes on the -- on the footer of the --</p> <p>10 of the website.</p> <p>11 So those will both be there. They</p> <p>12 haven't -- as Mr. Archer alluded to, they haven't been</p> <p>13 added to the landing page yet, but as far as I know,</p> <p>14 they'll be there. And that's -- that's the main point.</p> <p>15 We also, as part of the ISA -- and this is</p> <p>16 a major benefit to the Commission, you know, we have</p> <p>17 access to the information we need to do our job. And</p> <p>18 so I think that this will continue to be -- although</p> <p>19 housed in the Secretary's office and the Secretary's</p> <p>20 office has the administrative responsibility for this,</p> <p>21 I think this is something that we will want to join</p> <p>22 with them in promoting the amount of information and</p> <p>23 the way the information can be utilized, but we will --</p> <p>24 I anticipate, unless something changes, that Clean</p> <p>25 Elections and the Secretary's office will be</p>		

10:43:51-10:44:42	Page 62	10:45:53-10:46:39	Page 64
<p>1 represented on the -- on the landing page.</p> <p>2 COMMISSIONER KIMBLE: Okay. And,</p> <p>3 Mr. Archer, I just want to say as someone who has been</p> <p>4 very skeptical of this because of past incidents which</p> <p>5 we probably don't need to go into now, this is very</p> <p>6 impressive. I am -- I am very impressed by this. I</p> <p>7 think it's intuitive. It's attractive. It's -- the</p> <p>8 search functions are far in excess of what I expected,</p> <p>9 and I like it a lot.</p> <p>10 MR. ARCHER: Thank you very much.</p> <p>11 CHAIRMAN TITLA: Any more comments,</p> <p>12 Commissioners? Commissioner Chan?</p> <p>13 COMMISSIONER CHAN: Mr. Chair, I just</p> <p>14 wanted the opportunity to thank Mr. Archer. I mean,</p> <p>15 this is -- Garrett Taylor or Archer? I'm sorry.</p> <p>16 MR. ARCHER: No.</p> <p>17 COMMISSIONER CHAN: What is your last name?</p> <p>18 MR. ARCHER: Garrett Archer.</p> <p>19 COMMISSIONER CHAN: Archer. I'm so sorry.</p> <p>20 MR. COLLINS: Garrett Taylor is this -- is</p> <p>21 the chamber's lobbyist and he's less friendly.</p> <p>22 MR. ARCHER: Yeah, Gary.</p> <p>23 COMMISSIONER CHAN: Well, thank you --</p> <p>24 thank you, Mr. Archer, for coming and showing us this</p> <p>25 because, you know, seeing your memo versus seeing</p>		<p>1 operations would be to go -- talk to Mary. That may be</p> <p>2 in executive session, come out of the executive</p> <p>3 session, any other discussion that needs to occur, and</p> <p>4 then -- and then, provided you agree with the staff</p> <p>5 recommendation, move forward with the, you know,</p> <p>6 approval of the October 2nd transfer. So that's how I</p> <p>7 would handle it if that works for you, Mr. Chairman.</p> <p>8 CHAIRMAN TITLA: So we need to go into</p> <p>9 executive session now?</p> <p>10 MR. COLLINS: I guess it's up to Mary, how</p> <p>11 much Mary wants to talk in open session versus how much</p> <p>12 she wants to talk in executive session.</p> <p>13 MS. O'GRADY: Let's go into executive</p> <p>14 session.</p> <p>15 MR. COLLINS: I think we probably might</p> <p>16 want to go into executive session for a bit and kind of</p> <p>17 hash out the questions we have legally.</p> <p>18 COMMISSIONER MEYER: Mr. Chairman --</p> <p>19 CHAIRMAN TITLA: Thank you, Mr. Archer, for</p> <p>20 your work.</p> <p>21 MR. ARCHER: Commissioners, thank you.</p> <p>22 CHAIRMAN TITLA: Commissioner Meyer?</p> <p>23 COMMISSIONER MEYER: I move we move to</p> <p>24 executive session.</p> <p>25 CHAIRMAN TITLA: Motion by Commissioner</p>	
10:44:45-10:45:50	Page 63	10:46:39-11:38:52	Page 65
<p>1 this -- and I know I was excited about the project, but</p> <p>2 seeing it like this is -- I just would echo what</p> <p>3 Commissioner Kimble said. It's really incredible, and</p> <p>4 I just can't wait to get my hands on it and play with</p> <p>5 it a little bit when it launches. So thank you.</p> <p>6 CHAIRMAN TITLA: Any further comments</p> <p>7 Commissioners?</p> <p>8 (No response.)</p> <p>9 CHAIRMAN TITLA: Do we take action on this</p> <p>10 item?</p> <p>11 MR. COLLINS: Well, what I would recommend,</p> <p>12 Mr. Chairman, is that, you know, this -- what we'll</p> <p>13 probably want to do -- I mean, I don't think that</p> <p>14 Mr. Archer needs to actually hang around for this, but</p> <p>15 we'll want to have the legal conversation around the</p> <p>16 issues that Mr. Kimble -- that Commissioner Kimble has</p> <p>17 raised and the broader -- we've got a bunch of other</p> <p>18 items related to legal stuff.</p> <p>19 And we want to get that resolved and</p> <p>20 then -- and then we'll have action after that, I think.</p> <p>21 You know, because the main action we want to make sure</p> <p>22 is that the Commission is comfortable and comfortable</p> <p>23 with the staff recommendation that we go ahead and make</p> <p>24 the progress payment on October 2nd that we would make.</p> <p>25 So -- so I think that the best order of</p>		<p>1 Meyer to go into executive session.</p> <p>2 Second?</p> <p>3 COMMISSIONER CHAN: Second.</p> <p>4 CHAIRMAN TITLA: Commissioner Chan seconds.</p> <p>5 All in favor say aye.</p> <p>6 (Chorus of ayes.)</p> <p>7 CHAIRMAN TITLA: Opposed?</p> <p>8 (No response.)</p> <p>9 CHAIRMAN TITLA: Abstain?</p> <p>10 (No response.)</p> <p>11 CHAIRMAN TITLA: We are in executive</p> <p>12 session at 10:45 a.m.</p> <p>13 (The following section of the meeting is in</p> <p>14 executive session and bound under separate cover.)</p> <p>15 * * * * *</p> <p>16 (End of executive session. Public meeting</p> <p>17 resumes at 11:38 a.m.)</p> <p>18 CHAIRMAN TITLA: We're back in regular</p> <p>19 session on Item V: Discussion and possible action in</p> <p>20 the following related issues.</p> <p>21 Mr. Director, are we -- what's your</p> <p>22 recommendation?</p> <p>23 MR. COLLINS: Oh, yes. Commissioners, just</p> <p>24 to recap, you've seen the ISA -- or the demonstration,</p> <p>25 rather, on the See the Money program as it stands.</p>	

11:38:55-11:40:21	Page 66	11:41:24-11:43:02	Page 68
<p>1 You've reviewed Garrett Archer's memo and had an</p> <p>2 opportunity to see Mr. Archer's work along with the</p> <p>3 team there at the -- at the Secretary of State's. And</p> <p>4 we think that's good progress and we're positive -- we</p> <p>5 feel positively about that.</p> <p>6 In addition, pursuant to the -- to Mary's</p> <p>7 negotiations with the Secretary's office, we think that</p> <p>8 we have a resolution that's about as good as it's going</p> <p>9 to get for now in terms of the publication of our rules</p> <p>10 in the Administrative Code. Although that comes along</p> <p>11 with the publication of GRRC's objections, they're both</p> <p>12 there, but at least the public will be on notice that</p> <p>13 we believe our rules are our rules and that is also the</p> <p>14 law.</p> <p>15 So unless you have further questions, I</p> <p>16 have a couple of recommendations. My first</p> <p>17 recommendation would be that we approve the payment of</p> <p>18 the \$150,000 under the terms of the ISA on October 2nd</p> <p>19 subject to the reservation of any rights we have under</p> <p>20 the Interagency Service Agreement entered into with the</p> <p>21 Secretary of State's Office.</p> <p>22 So a motion along those lines would be, I</p> <p>23 think, our recommendation. So a motion to approve</p> <p>24 payment of 150 -- actually, really a transfer of</p> <p>25 \$150,000 on October 2nd to the Secretary of State's</p>	<p>1 16-941, 16-958 and 16-942(B) with respect to</p> <p>2 independent expenditures. We think that those rules</p> <p>3 provide guidance to the public and that's part of the</p> <p>4 reason we wanted them in the Administrative Code.</p> <p>5 However, in order to ensure that the</p> <p>6 Administrative Code is as clean as possible, we would</p> <p>7 recommend that you vote to circulate R2-20-109 for 60</p> <p>8 days public comment, and we will publish the notice</p> <p>9 that is in your materials with the Secretary of State's</p> <p>10 Office as soon as possible.</p> <p>11 Relatedly, we would recommend the same with</p> <p>12 respect to R2-20-111. R2-20-111 does a couple of</p> <p>13 different things. The first is it reiterates the</p> <p>14 statute, the Clean Elections Act says what it says and</p> <p>15 what the courts have said it said both in the Supreme</p> <p>16 Court and the Superior Court in 2014 in the Horne</p> <p>17 versus Clean Elections Commission case; that the --</p> <p>18 that the Commission does have authority to enforce</p> <p>19 16-941(B) and 16-942(B) against the so-called</p> <p>20 traditional candidates.</p> <p>21 It also makes clear that the -- under the</p> <p>22 Supreme Court's ruling in Clean Elections Commission v.</p> <p>23 Brain, that the 20 percent reduction comes off of the</p> <p>24 adjusted campaign finance limits, and it makes a</p> <p>25 similar technical -- technical adoption. Those two</p>		
11:40:26-11:41:20	Page 67	11:43:06-11:44:39	Page 69
<p>1 Office subject to the reservation of any rights under</p> <p>2 the Interagency Service Agreement that this is all</p> <p>3 subject to.</p> <p>4 COMMISSIONER CHAN: Mr. Chairman?</p> <p>5 CHAIRMAN TITLA: Commissioner Chan.</p> <p>6 COMMISSIONER CHAN: I would so move.</p> <p>7 CHAIRMAN TITLA: Motion made by</p> <p>8 Commissioner Chan.</p> <p>9 Second?</p> <p>10 COMMISSIONER KIMBLE: Second.</p> <p>11 CHAIRMAN TITLA: Commissioner Kimble</p> <p>12 seconds the motion.</p> <p>13 All in favor say aye.</p> <p>14 (Chorus of ayes.)</p> <p>15 CHAIRMAN TITLA: Opposed?</p> <p>16 (No response.)</p> <p>17 CHAIRMAN TITLA: Abstain?</p> <p>18 (No response.)</p> <p>19 CHAIRMAN TITLA: Motion is carried</p> <p>20 unanimously.</p> <p>21 MR. COLLINS: Mr. Chairman, before we move</p> <p>22 on, as the agenda indicates, there's a discussion and</p> <p>23 possible action on Rules R2-20-109 and R2-20-111. Just</p> <p>24 to recap, R2-20-109 are rules that detail the</p> <p>25 Commission's policies with respect to enforcement of</p>	<p>1 changes are designed to avoid a Voter Protection Act</p> <p>2 issue because the legislation tweaked the formula away</p> <p>3 from inflation and in favor of a flat \$100 increase.</p> <p>4 So we adopted that rule, as the explanation</p> <p>5 provides, in order to avoid conflict, and we -- again,</p> <p>6 we believe that this will help clarify -- that</p> <p>7 recirculating and republishing will help clarify things</p> <p>8 for the public and address these -- the conflict issue</p> <p>9 in the -- in the -- in the published Administrative</p> <p>10 Code.</p> <p>11 So there's some tweaks to 111 to make the</p> <p>12 language a little more efficient and clearer which are</p> <p>13 acknowledged in there. There's some superfluous</p> <p>14 language that we've lined out. You'll note that all</p> <p>15 the language in there is submitted as, quote/unquote,</p> <p>16 new language, although it's not new language, and</p> <p>17 that's in part because we don't really know any other</p> <p>18 way to properly notice the fact that these rules are</p> <p>19 being, you know, essentially reenacting existing rules,</p> <p>20 but that's what we're doing.</p> <p>21 If the Secretary's office asks us to change</p> <p>22 those, we'll -- we'll work on that, but the bottom line</p> <p>23 is we'd ask you to approve both of those rules for</p> <p>24 public comment. And we will forthwith publish them</p> <p>25 with the Secretary and publish them on our website. So</p>		


11:44:42-11:45:25	Page 70	11:46:14-11:47:01	Page 72
<p>1 that's what I'm hoping and recommending a motion. I</p> <p>2 would do separate motions on Rule 109 and 111 for</p> <p>3 public comment.</p> <p>4 CHAIRMAN TITLA: Any motion or comment by</p> <p>5 the commissioners based upon the director's</p> <p>6 recommendation?</p> <p>7 COMMISSIONER KIMBLE: Mr. Chairman?</p> <p>8 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>9 COMMISSIONER KIMBLE: I move that we</p> <p>10 publish R2-20-109 for 60 days for public comment.</p> <p>11 CHAIRMAN TITLA: Motion made by</p> <p>12 Commissioner Kimble as stated.</p> <p>13 Second?</p> <p>14 COMMISSIONER CHAN: Second.</p> <p>15 CHAIRMAN TITLA: Second by Commissioner</p> <p>16 Chan.</p> <p>17 All in favor say aye.</p> <p>18 (Chorus of ayes.)</p> <p>19 CHAIRMAN TITLA: Opposed?</p> <p>20 (No response.)</p> <p>21 CHAIRMAN TITLA: Abstain?</p> <p>22 (No response.)</p> <p>23 CHAIRMAN TITLA: Motion is carried</p> <p>24 unanimously.</p> <p>25 Any other comments or motions?</p>		<p>1 comment?</p> <p>2 (No response.)</p> <p>3 CHAIRMAN TITLA: I just want to note that</p> <p>4 our esteemed counsel, Mary O'Grady -- I'd like to</p> <p>5 commend and congratulate her for an award she received</p> <p>6 in the attorney magazine that we get each month. It's</p> <p>7 a very prestigious award that she got being recognized</p> <p>8 as an attorney -- I can't remember the word</p> <p>9 specifically, but congratulations, Mary.</p> <p>10 MS. O'GRADY: Thank you.</p> <p>11 CHAIRMAN TITLA: As attorneys we get a</p> <p>12 monthly magazine called attorney magazine, and</p> <p>13 attorneys that have received awards get recognized</p> <p>14 there. So congratulations.</p> <p>15 MS. O'GRADY: Thank you very much.</p> <p>16 CHAIRMAN TITLA: Motion to adjourn?</p> <p>17 COMMISSIONER KIMBLE: Mr. Chairman, I move</p> <p>18 we adjourn.</p> <p>19 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>20 Second?</p> <p>21 COMMISSIONER MEYER: Second.</p> <p>22 CHAIRMAN TITLA: Commissioner Meyer</p> <p>23 seconds.</p> <p>24 All in favor say aye.</p> <p>25 (Chorus of ayes.)</p>	
11:45:28-11:46:13	Page 71	11:47:02-11:47:07	Page 73
<p>1 COMMISSIONER MEYER: Mr. Chairman?</p> <p>2 CHAIRMAN TITLA: Commissioner Meyer.</p> <p>3 COMMISSIONER MEYER: I'll make that same</p> <p>4 motion that we put out for public comment for 60 days</p> <p>5 proposed Rule R2-20-111.</p> <p>6 CHAIRMAN TITLA: Motion made by</p> <p>7 Commissioner Meyer to publish for 60 days for public</p> <p>8 comment R2-20-111.</p> <p>9 Is there a second?</p> <p>10 COMMISSIONER KIMBLE: Second.</p> <p>11 CHAIRMAN TITLA: Second, Commissioner</p> <p>12 Kimble.</p> <p>13 All in favor say aye.</p> <p>14 (Chorus of ayes.)</p> <p>15 CHAIRMAN TITLA: Opposed?</p> <p>16 (No answer.)</p> <p>17 CHAIRMAN TITLA: Abstain?</p> <p>18 (No response.)</p> <p>19 CHAIRMAN TITLA: Motion is carried</p> <p>20 unanimously.</p> <p>21 Is there anything else, Director?</p> <p>22 MR. COLLINS: Mr. Chairman, we just have</p> <p>23 public comment, if any. If not, a motion to adjourn</p> <p>24 is -- I think we're at a motion to adjourn.</p> <p>25 CHAIRMAN TITLA: Is there any public</p>		<p>1 CHAIRMAN TITLA: Opposed?</p> <p>2 (No response.)</p> <p>3 CHAIRMAN TITLA: Abstain?</p> <p>4 (No response.)</p> <p>5 CHAIRMAN TITLA: We are adjourned at 11:46</p> <p>6 a.m. Thank you, everyone.</p> <p>7 (Whereupon, the proceedings concluded at</p> <p>8 11:47 a.m.)</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	

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 29th day of
17 September, 2017.

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19 LILIA MONARREZ, RPR, CR #50699
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**CITIZENS CLEAN ELECTIONS COMMISSION
EXECUTIVE DIRECTOR REPORT
November 16, 2017**

Announcements:

- The public can view Commission meetings live via the internet at www.livestream.com/cleanelections. A link is available on our website.
- The Auditor General's Office completed their audit of the 2016 election cycle. They reviewed monies in, payments into, and expenditures of the Clean Elections Fund and found no instances of noncompliance or significant deficiencies. (Attachment A)

Voter Education:

- Monday, November 6th, the Commission launched the new "ID at the Polls" tool. This tool helps voters identify the proper Identification to take with them on Election Day. It is available on our website under announcements.
- On November 2nd, Gina attended the Arizona Center for Disability Law's planning meeting for a Voter Empowerment Day.
- Alec and Stephanie attended Maricopa County's Disability Advocates Roundtable on Tuesday, November 14th.
- Gina presented at the Arizona Association of Counties Annual Conference on Wednesday November 15th.
- Gina served as a panelist for the Arizona Students' Association Voting Rights Forum on Wednesday, November 15th.

2018 Candidate Information:

- Candidates can start applying for 2018 funding as early as January 2, 2018.
- Participating Legislative Candidates: **37**
- Participating Statewide Candidates: **17**
- Clean Elections Training Workshops: **8**

Enforcement – 2017:

Complaints Pending: 3

- MUR 17-01 – Jesus Rubalcava – on today's agenda.
- MUR 17-02 – Federation for Children, Inc. – Response Received
- MUR 17-03 – Federation for Children, Inc. – Pending Response

Enforcement – 2014:

Complaints Pending: 3

- MUR 14-006, -015 (consolidated/conciliated): Horne - pending completion of items in conciliation agreement.
 - MUR 14-007: Legacy Foundation Action Fund (LFAF) – Oral Argument was held Monday, September 11, 2017. For details see below.
- MUR 14-027: Veterans for a Strong America (VSA)

Miscellaneous

- **UPDATE:** The Arizona Advocacy Network filed a lawsuit November 15, 2017 against the State, the Commission, the Secretary of State and the Governor's Regulatory review council on behalf of a consortium of plaintiffs including several lawmakers. A copy of the Complaint is here:

https://d3n8a8pro7vhmx.cloudfront.net/arizonaadvocacynetwork/pages/1865/attachments/original/1510771053/SB_1516_Verified_Complaint_Conform_Copy.pdf?1510771053

A copy of the press release is here:

http://www.azadvocacy.org/we_re_suing_to_protect_clean_elections

- An independent investigator hired by the Attorney General to review the Secretary of State's trouble-plagued distribution of the 2016 special election publicity pamphlet released his reports. Arizona Republic Reporter Dustin Gardiner's story is available at this link: <http://www.azcentral.com/story/news/politics/arizona/2017/10/26/investigator-arizona-secretary-state-violated-law-but-faces-no-penalties/800415001/>. The report is available at that same link.
- See the Money began public beta testing. You can participate and give feedback at seethemoney.gov.
- Independent attorneys hired by the Attorney General's office to address a Complaint against former Attorney General Horne issued a report and order. This report is part of a companion complaint to Commission MURs 14-006 and 015 filed with the Secretary of State. The attorneys ordered amendment of the former attorney general's campaign finance reports and deemed the \$10,000 fine paid by Horne sufficient. Nevertheless, Mr. Horne agreed, as part of the conciliation, to do whatever he was ordered to in the companion complaint, subject to any appeal, or the Commission could proceed against him. We are monitoring that situation. A copy of the Order, as well as the Conciliation, are available on our website: <http://www.azcleelections.gov/en/about-us/horne-enforcement>.
- Effective recently, the Assistant Attorneys General assigned the Commission have been moved out of the Solicitor General's section and into the Agency Counsel section. So far, service has been as before. I will be working with our assigned Assistant Attorneys General to determine any changes that effect the Commission, including details of the reporting structure of their new section. The Commission had been represented by the Solicitor General's office since its inception or soon thereafter.



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

October 5, 2017

Members of the Arizona State Legislature

The Honorable Doug Ducey, Governor

Mr. Steve M. Titla, Chairman
Citizens Clean Elections Commission

The Office of the Auditor General has performed a compliance and internal control review of the Citizens Clean Elections Commission (Commission). This review was conducted under the authority vested in the Auditor General by Arizona Revised Statutes §§16-949(E) and 41-1279.03. The Office is required to perform a review of the revenues and expenditures of the Citizens Clean Elections Fund at least every 4 years. This review of the Commission was completed for the 2016 election cycle.

Our review consisted primarily of inquiries, observations, and selected tests of internal control policies and procedures, accounting records, and related documents. The review was more limited than would be necessary to give an opinion on compliance or on internal controls. Accordingly, we do not express an opinion on compliance or on the effectiveness of internal controls or ensure that all deficiencies in internal controls are disclosed.

Specifically, we reviewed monies in, payments into, and expenditures of the Citizens Clean Elections Fund.

The results of our tests disclosed no instances of noncompliance or significant deficiencies in internal control to report; however, our review disclosed minor internal control deficiencies that we have communicated directly to the Commission's staff.

This report is intended solely for the information and use of the members of the Arizona State Legislature, Governor, Commission, and management and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record, and its distribution is not limited.

Should you have any questions concerning our review, please let us know.

Sincerely,

Debbie Davenport
Auditor General

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damien R. Meyer
Mark S. Kimble
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

**Brief of the Executive Director
PROBABLE CAUSE RECOMMENDATION
AND NOTICE OF POSSIBLE PENALTIES**

To: Commissioners
From: Thomas M. Collins, Executive Director
Date: November 3, 2014
Subject: MUR 17-01 (Jesus Rubalcava)

I am writing in reference to the Citizens Clean Elections Commission's (the Commission) determination of reason to believe Jesus Rubalcava (Respondent) may have committed violations of the Citizens Clean Elections Act and Commission rules (collectively, the Act). I recommend that the Commission find probable cause that Respondent violated the Act.

I. Factual and Procedural Background

Respondent, a 2016 candidate for State Representative of Legislative District 4, was certified as a participating candidate on January 15, 2016 (**Exhibit A**). Upon applying for certification, Respondent signed under oath and under penalty of perjury that he was in compliance with A.R.S. § 16-941(A) and would continue to comply with such restrictions as required by the Act. Respondent was selected for a random primary election audit on September 15, 2016. Based on

findings from the random audit (**Exhibit B**), the Commission approved a comprehensive audit and review for Respondent and Respondent's candidate campaign committee on January 19, 2017. On April 28, 2017, the independent auditors, Fester & Chapman P.C., submitted the final comprehensive audit to the Commission (**Exhibit C**).

On May 23, 2017, the Executive Director served Respondent with an internal Complaint regarding the findings of the comprehensive audit and review (**Exhibit D**). The Complaint alleged Respondent may have violated the Clean Elections Act and Rules by: (1) accepting contributions other than individual contributions and \$5 qualifying contributions; (2) making expenditures in excess of the personal money contribution limit; (3) making expenditures in excess of the adjusted primary election spending limit; (4) making expenditures in excess of the adjusted general election spending limit; (5) failing to comply with A.R.S. §16-948 regarding campaign accounts; and (6) failing to comply with A.R.S. §16-953 regarding the return of unused monies to the Citizens Clean Elections Fund. The Complaint also noticed Respondent of potential reporting violations and related penalties.

On May 30, 2017, Respondent submitted a Response to the Complaint (**Exhibit E**). The Commission determined there was reasonable cause, and authorized an investigation on June 22, 2017, and Respondent was served with a

compliance order on June 23, 2017. (**Exhibit F**). Respondent did not come into compliance.

On August 22, 2017, the Commission unanimously voted to impose a repayment order on Respondent for the amount of Clean Elections Funding issued to him. (**Exhibit G**). To date Respondent has not complied with that Order.

Pursuant to the Commission's determination of reasonable cause and investigation authorization, Commission staff sought additional documents from Respondent. On September 14, 2017, Respondent responded to Commission staff's subpoena by providing a print-out from the Secretary of State's campaign finance reporting system which detailed all of his campaign finance report transactions and contained hand-written notes. Amid the pages of the print-out were 4 invoices for campaign services. Those invoices were added as transactions to Respondent's campaign finance reports after he was notified of being selected for the campaign finance audit.

Date	Vendor	Amount	Reported	Due to be Reported	Campaign Bank Acct. Transaction
1/25/2016	Shindiz	\$104.94	10/31/2016	6/30/2016	No
2/12/2016	Vistaprint	\$35.79	11/1/2016	6/30/2016	No
3/3/2016	Queensboro Shirt Co	\$80.35	11/1/2016	6/30/2016	No
6/22/2016	R Sky Photography	\$925.00	11/2/2016	8/26/2016	No
*6/28/2016	Factor Sales	\$6,073.91	11/2/2016	8/26/2016	Yes

With respect to these transactions, only \$3,374.91 of the Factor Sales, Inc.

expenditure was a reported timely on the 2016 Pre-Primary Report. The \$3,374.91

was paid for by a check drawn on the candidate's campaign bank account on June

30, 2016. The remaining amount of \$2,699 was reported on November 2, 2016 after Respondent was notified of the audit. The \$2,699 was paid for by a check drawn on the candidate's campaign bank account on June 24, 2016.

Respondent also provided his PayPal transaction history. However, the contributions listed on the transaction history do not match the candidate's campaign finance reports. A donation received on February 25, 2016 from Timothy Ogle in the amount of \$200 appears on the candidate's June 30th Report as being received from Kathe Ogle on February 25, 2016 in the amount of \$100. An additional four small contributions totaling \$73 are not reported. Finally, Respondent stated in an email to Staff that if there was a requested item that was not provided it was "because [I] was not able to locate it or because it doesn't exist. . . ." (Exhibit H).

II. Questions Presented and Brief Answers

A.

Question: Is there probable cause to believe that Respondent exceed early contribution limits established by to A.R.S. § 16-941(A)(1), which bars all contributions except \$5 qualifying contributions and limited early contributions?

Answer: Because audits of Respondent's campaign finance activities, Respondent's admissions, and Respondent's failure to keep required records demonstrate he exceeded the applicable limits by at least \$3,637.87 there is probable cause to believe Respondent violated A.R.S. § 16-941(A)(1).

Analysis:

Pursuant to A.R.S. §16-941(A)(1), a participating candidate shall not accept any contributions, other than a limited number of five-dollar qualifying and early individual contributions. The auditors found that Respondent made transfers from a separate bank account to the campaign bank account totaling \$1,869.33 and made additional deposits, whose purpose cannot be determined, into the campaign bank account in the amount of \$3,945.54. Respondent's Amended June 30th Report details that Respondent collected \$1,415 in qualifying contributions (**Exhibit I**). Respondent's Amended Qualifying Period Recap Report details that Respondent received \$177 in personal and family contributions, \$525 in early individual contributions, and \$60 in small contributions (**Exhibit J**). The total combined amount of received contributions as reported by Respondent is \$2,177. Respondent deposited into his bank account a total of \$5,814.87 (not including Clean Elections Funding); this is \$3,637.87 more than the total combined qualifying contributions, individual contributions, small contributions, and personal and family contributions Respondent reported on his campaign finance reports.

In documents filed prior to the reasonable cause determination, Respondent stated he did accept contributions other than the \$5 qualifying contributions, but he received early contributions from individuals and referenced his campaign finance reports as an exhibit. However, the campaign finance reports referenced by

Respondent do not match the deposits made in the bank account. Moreover, Respondent admitted that he does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”) (**Exhibit K**); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”) Additionally, Respondent failed to provide sufficient documentation for the campaign activity in his campaign finance reports, pursuant to A.A.C. R2-20-703, from which the Commission can infer evidence supporting a violation.

Furthermore, A.R.S. §16-941(A)(2) provides a participating legislative candidate shall not make expenditures of more than a total of seven hundred and twenty dollars of the candidate’s personal monies. The auditors found that Respondent had made transfers from a separate bank account to the campaign bank account totaling \$1,869.33 and made additional deposits, whose purpose cannot be determined, into the campaign bank account in the amount of \$3,945.54. If Respondent only received \$2,000 from his qualifying contributions, early individual contributions, and small contributions combined, as reported on his campaign finance reports, then Respondent received \$3,814.87 in personal and family contributions. Respondent only reported receiving \$177 in personal and family contributions. In other words, the Respondent’s financial activity cannot be

reconciled with the applicable limits, further demonstrating probable cause to believe a violation occurred. Finally, even the limited documentation provided under subpoena shows further discrepancies and excess early contributions. However, giving Respondent the benefit of any doubt, I recommend the Commission find probable cause to believe the excess contributions to be \$3,637.87.

Possible Penalty:

Pursuant to A.R.S. § 16-942(A) “[t]he civil penalty for a violation of any contribution or expenditure limit in § 16-941 by . . . a participating candidate shall be ten times the amount by which the expenditure or contribution exceeded the applicable limit.”

The possible penalty for this violation is:

$$\$3,637.87 \times 10 = \$36,379.70$$

B.

Question: Is there probable cause to believe Respondent exceeded the spending limit for the general election period established by A.R.S. § 16-941(A)(3), which was \$1,415 for Respondent, who was unopposed in the general election.

Answer: Because an audit of Respondent’s campaign finance activities, his own admissions, and his failure to maintain proper records all support the conclusion that Respondent exceeded the applicable limit, there is probable cause to believe Respondent violated A.R.S. § 16-941(A)(4).

Analysis:

The adjusted general election spending limit for Respondent, who was unopposed in the general election, was set by the number of \$5 qualifying contributions he submitted multiplied by \$5. A.R.S. § 16-953. Accordingly, the general election period limit for Respondent was \$1,415.

The auditors found that Respondent made a total of \$3,677.16 in expenditures from the campaign bank account during the general election period (August 31, 2016 through November 8, 2016). Consequently, Respondent made a total of \$2,262.16 in excess expenditures during the general election period.

In his responses during the reason to believe phase of this matter, Respondent states that he “did not exceed the amount of the general election spending limit.” He also states that he did not receive general election funding because he was unopposed and learned that he was unopposed in late September. However, Respondent did receive general funding on August 31, 2016 (**Exhibit L**) but it was determined that Respondent would be unopposed in the general election; therefore, the next day on September 1, 2016, Respondent was notified by the Executive Director, through e-mail and overnight delivery, that he would need to return \$22,651 in general election funding and he could only retain the amount of the \$5 qualifying contributions (\$1,415) he submitted to the Secretary of State’s Office (**Exhibit M**). Respondent acknowledged the notification the same day but did not return the general election funds until September 28, 2016.

Respondent also provided his campaign finance reports as evidence that he did not exceed the general election spending limit. However, the auditors found that Respondent's campaign finance reports do not accurately reflect the campaign finance activity in the Respondent's campaign bank account. Respondent does not "disput[e] the outcome of the audit." Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 ("I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle."); *accord* Response at 1 ("Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing."). The auditors found that \$2,829.61 in expenditures from the campaign bank account during the general election period were not reported on Respondent's campaign finance reports.

Indeed, the auditors requested supporting documentation for the expenditures but Respondent claimed to have been unable to "locate the box" containing the information, just as he did in response to the Commission staff's investigative efforts. Every Clean Elections candidate is required to maintain campaign financial records for three years. A.A.C. R2-20-703. The evidence provided by the audit, Respondent's own admission, and Respondent's failure to maintain proper records each support the conclusion there is probable cause to believe Respondent exceeded the applicable limit by \$2,829.61. The Executive Director thus urges the Commission to so conclude.

Possible Penalty:

Pursuant to A.R.S. § 16-942(A) “[t]he civil penalty for a violation of any contribution or expenditure limit in § 16-941 by . . . a participating candidate shall be ten times the amount by which the expenditure or contribution exceeded the applicable limit.”

The possible penalty for this violation is:

$$\$2,829.61 \times 10 = \$28,296.10$$

C.

Question: Is there probable cause to believe that Respondent failed to abide by the limitations imposed by A.R.S. § 16-941(A)(5) that limit participating candidates to the use of a single account for campaign activity for the payments for goods and services to the campaign and limit candidates spending in the primary and general period by requiring the return of unspent Clean Elections Funding. A.R.S. §§ 16-948(A), (C); -953(A), (B).

Answer: The audit results, Respondent’s admissions, and failure to keep proper records demonstrate that Respondent used at least two accounts for campaign activity and failed to return unused or improperly used funds to the Clean Elections Fund.

Analysis:

Section 16-941(A)(5) imposes additional limitations on expenditures by candidates. Specifically, participating candidates must use a single bank account and pay for campaign goods and services through that account. A.R.S. § 16-948. Similarly, A.R.S. § 16-953 provides an additional limitation necessary for the integrity of the Clean Elections Fund and the other sections of the Act by providing

for the return of Clean Elections Funds at the end of the primary and general election periods. This is a direct limitation on a candidate's use of funds.

On June 15, 2016, Respondent physically received his check for the primary election. Bank records show that \$16,044 was deposited into a personal bank account and \$13,280.22 was transferred from Respondent's personal bank account to a campaign bank account on June 17, 2016. The difference of \$2,763.78 was not transferred to the campaign account. The auditors noted transfers from a separate bank account to the campaign account equaling \$1,869.33 and other deposits with undeterminable purposes equating to \$3,945.54. The deposits cannot be verified due to Respondent's failure to provide supporting documentation. Respondent neglected to establish a petty cash account and provide detailed information on campaign finance reports. The auditors found ATM withdrawals totaling \$683.50 that Respondent failed to document on his campaign finance reports. The withdrawals cannot be verified due to the lack of supporting documentation.

Respondent has previously asserted that "according to the reports filed with the Arizona Secretary of State, there wasn't [sic] any unused monies that were not returned to the Citizens Clean Elections Commission." Moreover, he has claimed that because his personal bank account and campaign account were linked, he "began to use the filing report with the Secretary of State as [his] accounting and balance." However, Respondent amended his reports several months after the transactions had taken place so it is improbable that he was able to utilize the

Secretary of State's campaign finance reporting system to keep track of his campaign finance activity.

Respondent used the two bank accounts during the campaign periods in violation of 16-941(A)(5). Indeed, Respondent does not "disput[e] the outcome of the audit." Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 ("I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle."); *accord* Response at 1 ("Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.").

Furthermore auditors found a transfer from the Respondent's campaign bank account to Respondent's personal bank account equaling \$604.42. Respondent made \$4,653.41 in non-campaign withdrawals from the campaign bank account. An additional \$3,635.41 was withdrawn and auditors were unable to provide a determinable purpose.

Participating candidates must return Clean Elections funding that was not used for direct campaign purposes, as required by A.R.S. § 16-953 and R2-20-704(B). On October 18, 2016, the auditors contacted Respondent regarding a high ending balance on the Primary Recap Report (**Exhibit N**). At that time Respondent should have returned \$7,046.72 in unspent primary election funding based on the timely filing of his Primary Recap Report (**Exhibit O**). On November 1, 2016, Respondent filed amendments to his campaign finance reports. The new ending

balance on the Amended Primary Recap Report was -\$2.44 (**Exhibit P**). The auditors found that Respondent made \$17,501.51 in expenditures from the campaign bank account during the primary election period. Since Respondent could have only potentially deposited \$18,221 into the campaign bank account during the primary period (based upon primary election funding, early contributions, \$5 qualifying contributions, small contributions and personal contributions), Respondent should have returned to the Clean Elections Fund at least \$710.49. This does not take into account the expenditures that were made for personal use and should have also been returned to the fund. As noted above, however, Respondent admits the results of the audit, and the Commission has established that it is entitled to a full refund. This also represents probable cause to believe that Respondent violated A.R.S. § 16-941(A)(5).

The amount of the violation is \$17,459.00.

Possible Penalty:

Pursuant to A.R.S. § 16-942(A) “[t]he civil penalty for a violation of any contribution or expenditure limit in § 16-941 by . . . a participating candidate shall be ten times the amount by which the expenditure or contribution exceeded the applicable limit.”

The possible penalty for this violation is:

$$\$17,459.00 \times 10 = \$174,590$$

D.

Question: Is there probable cause to believe that Respondent violated A.R.S. § 16-941(A)?

Answer: Based on the forgoing there is probable cause to believe Respondent violated A.R.S. § 16-941(A) multiple times.

Analysis:

Section 16-942(D) provides that

[a]ny participating candidate adjudged to have committed a knowing violation of section 16-941, subsection A . . . shall repay from the candidate's personal monies to the fund all monies expended from the candidate's campaign account and shall turn over the candidate's campaign account to the fund.

In this case, Respondent expend at least \$17,459 from campaign accounts based on the Commission's repayment order, the audits, Respondent's admissions, and his failure to keep proper records or maintain proper accounts. It is clear that Respondent knew his responsibilities when he applied and was approved as a clean elections candidates and that by his actions, whether the depositing of checks, failure to properly keep records or account of his activities he had "knowledge that the facts exist that bring the act or omission within the provisions of the statute. . . ." A.R.S. § 1-213(17)(a). "Knowingly . . . [d]oes not require any knowledge of the unlawfulness of the act or omission." Id. § 1-213(17)(b). Accordingly this additional penalty is applicable and there is probable cause to believe A.R.S. § 16-941(A) was violated.

Possible Penalty: \$17,459.00

E.

Question: Is there probable cause to believe Respondent failed to report certain expenditures and contributions required by the Clean Elections Act and Rules?

Answer: Because the audit findings, Respondent's admissions, and Respondent's failure to keep required records support the conclusion that certain expenditures and contributions went unreported, there is probable cause to believe there is a violation subject to penalty under the Act.

Analysis:

Pursuant to A.R.S. § 16-941, participating candidates shall comply with A.R.S. § 16-948 stating that candidates are required to report expenditures made directly from their campaign bank account, as required by A.R.S. § 16-948(C). Information to be provided on the campaign finance reports includes recipient's full name, address, nature of good and services, and compensation. A.A.C. R2-20-703 requires candidates to report all receipts and disbursements from the campaign account similarly. In addition, A.A.C. R2-20-115 contends that participating candidates maintain books and records of financial transactions in a single location, and such records are to be accessible upon request.

The auditors found that Respondent failed to report an aggregate of \$9,209.72 in expenditures and \$4,852.55 in deposits on his campaign finance reports. It could not be determined if an additional \$1,362.32 was reported because of insufficient records.

Respondent states that out of confusion he “began to use the filing report with the Secretary of State as [his] accounting and balance.” As required by A.A.C. R2-20-110, participating candidates’ campaign finance reports are to include *all receipts and disbursements for their current campaign account*. However, Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”). The comprehensive audit revealed several expenditures were made and not reported. Respondent made reference to his campaign finance reports submitted to the Secretary of State as proof against allegations of excess spending, but information in reports is recorded by the candidate and numerous expenditures and deposits were never documented by Respondent. Based on the audit, Respondent’s admissions, and his failure to abide by his obligation to preserve documents related to expenditures and contributions there is probable cause to believe the amounts of \$9,209.72 in expenditures and \$4,852.55 in contributions remain unreported. These amounts are subject to penalty pursuant to A.R.S. 16-942(B).

Possible Penalty:

Because penalties under § 16-942 are capped at twice the unreported amount the possible penalty here is: \$28,124.54.

III. Conclusion

For the forgoing reasons, I recommend that the Commission find probable cause that Respondent violated the Act on Items II A-E.

IV. Procedure

If the Commission determines by an affirmative vote of at least three of its members that there is probable cause to believe that Respondent has violated the Act, the Commission shall authorize the Executive Director to so notify Respondent by an order that states the nature of the violation, and assesses civil penalties pursuant to A.R.S. § 16-957. A.A.C. R2-20-215(A) & -217.

Dated this 2nd day of November, 2017


By: 
Thomas M. Collins
Executive Director

EXHIBIT A

ITEM IV - EXHIBITS



0000349236

- ☐ Initial Application
☐ Amended Application



**STATE OF ARIZONA
 APPLICATION FOR CERTIFICATION
 AS A PARTICIPATING CANDIDATE**

SECRETARY OF STATE

2016 JAN 14 PM 1:14

Pursuant to Arizona Revised Statutes §§16-947 and 948 and AAC R2-20-104 (D)

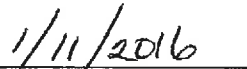
COMMITTEE ID NUMBER

201600368

NAME OF CANDIDATE JESUS A RUBALCAVA			DATE 01/11/2016	
OFFICE SOUGHT STATE REPRESENTATIVE - DISTRICT 4	PARTY AFFILIATION DEMOCRATIC	ELECTION CYCLE 2016		
CANDIDATE'S ADDRESS 806 W MARGARET ST PO BOX 863		CITY GILA BEND	STATE AZ	ZIP 85337
CANDIDATE'S TELEPHONE # (602) 295-2102	CANDIDATE'S FAX #	CANDIDATE'S EMAIL ADDRESS		
NAME OF POLITICAL COMMITTEE RUBALCAVA FOR HOUSE				
COMMITTEE ADDRESS 806 W MARGARET ST.		CITY GILA BEND	STATE AZ	ZIP 85337
COMMITTEE MAILING ADDRESS (if different from above) PO BOX 863		CITY GILA BEND	STATE AZ	ZIP 85337
COMMITTEE TELEPHONE # (602) 295-2102	COMMITTEE FAX #	COMMITTEE EMAIL ADDRESS JESUSARUBALCAVA@GMAIL.COM		
NAME OF DESIGNATED INDIVIDUAL WITH AUTHORITY TO WITHDRAW FUNDS (IF APPLICABLE) (A.R.S. §16-948)				
DESIGNATED INDIVIDUAL'S ADDRESS		CITY	STATE	ZIP
DESIGNATED INDIVIDUAL'S TELEPHONE #	DESIGNATED INDIVIDUAL'S FAX #	DESIGNATED INDIVIDUAL'S EMAIL		
LIST THE NAME OF THE FINANCIAL INSTITUTION FROM WHICH THE CANDIDATE AND THE DESIGNATED INDIVIDUAL WILL CONDUCT ALL FINANCIAL ACTIVITY FOR THE CANDIDATE'S CAMPAIGN COMMITTEE (Do not list account numbers). (A.R.S. §16-948(A))				
NAME OF FINANCIAL INSTITUTION WELLS FARGO BANK, N.A.				

DESIGNATED CANDIDATE'S STATEMENT (if applicable) (A.R.S. §16-948(B)): I hereby
 designate _____ as my duly authorized Designated Individual,
 with the authority to withdraw funds and make expenditures from my campaign account on my behalf.


 Candidate's Signature


 Date

Committee ID: 201600368

Date: 01/11/2016

Form ID: 0000349236

Application for Certification -- Part II

CANDIDATE AND DESIGNATED INDIVIDUAL'S STATEMENT (A.R.S. §16-947):

I, the undersigned, upon my oath and under penalty of perjury, certify that the following statements are true and accurate to the best of my knowledge and belief:

1. I have complied with the restrictions of A.R.S. §16-941 (A) during the election cycle to date, which are as following:
 - a) Not accepted contributions other than early contributions as specified in A.R.S. §16-945;
 - b) Not made expenditures that exceed the candidate's personal money limit; and
 - c) Conducted all financial activity through a single campaign account.
2. I will continue to comply with the restrictions in paragraph 1 during the remainder of the election cycle and will:
 - a) Not make expenditures in the primary election period in excess of the adjusted primary election spending limit;
 - b) Not make expenditures in the general election period in excess of the adjusted general election spending limit; and
 - c) Return unused monies to the fund in accordance with A.R.S. §16-953.
3. I have filed all campaign finance reports required under Title 16, Chapter 6, Article I, during the election cycle to date, and the reports are complete and accurate.
4. I agree to use all Clean Election funding for direct campaign purposes only.
5. I will file, with this application, a campaign finance report showing all campaign activity to date in the current election cycle.
6. I will comply with all requirements of the Act and Commission rules.
7. I am subject to all enforcement actions by the Commission as authorized by the Act and Commission rules.
8. I have the burden of proving that expenditures made by or on behalf of the candidate were for direct campaign purposes.
9. I will keep and furnish to the Commission all documentation relating to expenditures, receipts, funding, books, records (including bank records for all accounts), and supporting documentation and other information that the Commission may request in accordance with Commission rules.
10. I will permit an audit and examination of all receipts and expenditures including those made by the candidate, the candidate's authorized committee, or any agent or person authorized to make expenditures on behalf of the candidate or committee. The candidate and the candidate's authorized committee shall also provide any material required in connection with an audit, investigation, or examination conducted by the Commission. The candidate and authorized committee shall facilitate the audit and examination and shall pay any amounts required to be repaid.
11. I will submit the name and mailing address of the person who is entitled to receive equalizing fund payments on behalf of the candidate and the name and address of the campaign depository designated by the candidate. Changes in the information required by this paragraph shall not be effective until submitted to the Commission in a letter signed by the candidate or the committee treasurer.
12. I will pay any civil penalties included in a conciliation agreement or otherwise imposed against the candidate.
13. I will file all campaign finance reports with the Secretary of State in an electronic format in a timely manner.

State of Arizona)
County of Maricopa) ss.

[Signature]
Candidate's Signature

SUBSCRIBED AND SWORN TO before me this 11th day

of January 2016.

[Signature]
Notary Public

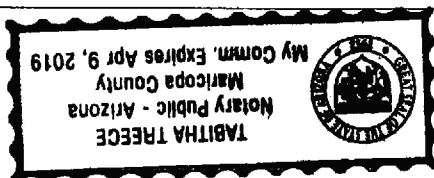
State of Arizona)
County of _____) ss.

Designated Individual's Signature

SUBSCRIBED AND SWORN TO before me this _____ day

of _____ 20____.

Notary Public



Sara Larsen

From: No Reply <NoReply@azsos.gov>
Sent: Friday, January 15, 2016 10:59 AM
To: Rubalcava for House
Cc: Jesus Rubalcava
Subject: CCEC Application for Certification - Accepted

CCEC Application for Certification for candidate Rubalcava, Jesus A has been accepted on 01/15/2016 by the Citizens Clean Election Commission (Commission).

Pursuant to A.R.S. § 16-947, the Commission has approved your Application for Certification as a Participating Candidate for the 2016 election cycle. You are now considered a "participating candidate." You are required to comply with the Clean Elections Act and Commission rules. Participating candidates may solicit \$5 qualifying contributions during qualifying period only (August 1, 2015 – August 23, 2016).

All participating candidates are required to attend at least one training class within 60 days of being certified (or within 60 days of the beginning of the qualifying period if the candidate is certified before August 1, 2015). The class schedule may be found at www.azcleelections.gov.

In order for participating candidates to receive funding from the Commission, each candidate must be established as a vendor in the State accounting system. Please complete and mail an Arizona W-9 form to the address below. The Arizona W-9 form can be found at: <http://www.azcleelections.gov/docs/default-source/forms/azw-9.pdf?sfvrsn=0>.

If you have any questions, please contact me at 602.364.3477.

Sincerely,

Sara A. Larsen
Financial Affairs & Compliance Officer
Citizens Clean Elections Commission
1616 W. Adams St., Suite 110
Phoenix, Arizona 85007
sara.larsen@azcleelections.gov
602.364.3477

DO NOT REPLY TO THIS EMAIL

EXHIBIT B

CITIZENS CLEAN ELECTIONS COMMISSION

Report on Agreed-Upon Procedures

**Jesus Rubalcava
Participating Candidate for
State Representative – District No. 4
Primary Election 2016**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Chairman and Members of the Commission
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 Rubalcava for House (the Candidate) Campaign Finance Reports for both the Pre-Primary (June 1, 2016 to August 18, 2016) and the Post-Primary (August 19, 2016 to September 19, 2016) 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. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 procedures and the associated findings are as follows:

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 (June 1, 2016 to August 18, 2016) and Post-Primary (August 19, 2016 to September 19, 2016) 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 reviewed did not exceed the \$160 early contribution limit.

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

Finding

Early contributions received during the periods reviewed did not exceed the \$4,011 limit for a legislative candidate.

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

Finding

Early contributions received during the periods reviewed did not exceed the \$720 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 six disbursements to family members of the candidate, however the Campaign finance report did not indicate that the expenditures were made to family members. Per the Citizens Clean Elections Act & Rules Manual rule R2-20-701(C)(4), all payments made to family members or to enterprises owned in whole or part by the candidate or a family member shall be clearly itemized and indicated as such in all campaign finance reports.

In addition, there were three loans outstanding on the Post-Primary finance report that were made to the Campaign by the Candidate in December 2015, totaling \$69.93, that do not appear to have been repaid to the Candidate. In addition, supporting documentation for these loans was not maintained by the Campaign. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-104(E), if the loan is to be repaid, the loans shall be repaid promptly upon receipt of Clean Elections funds if the participating candidate qualifies for Clean Elections funding. The Campaign received its Clean Elections funding on June 15, 2016.

It was further noted that the Campaign finance report had significantly fewer transactions than what was shown on the Campaign bank statements. Per discussion with the Candidate, the financial institution linked his personal bank account with the Campaign bank account, and therefore when he used his personal debit card, the Campaign bank account was debited. We noted approximately forty-one personal transactions consisting of out of state restaurant purchases, travel and other non-Campaign related items on the Campaign bank statement, totaling \$3,461.74; three ATM withdrawals, totaling \$243.50; five overdraft fees, totaling \$175.00; and three transfers from the Campaign bank account to the Candidate's personal bank account, totaling \$223.42. The Candidate indicated that he reimbursed the Campaign for these personal transactions, however deposits for these specific amounts was not provided. We noted eleven possible reimbursements to the Campaign on the bank statements, totaling \$2,270.19.

- 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 an agreed-upon procedures attest engagement. Candidates chosen for a Primary Election Audit shall provide records from the Pre-Primary Election Report and the Post-Primary Election Report. Candidates chosen for a General Election Audit shall provide records from the Pre-General Election Report and the Post-General Election Report.

Finding

Commission staff sent an initial notice of primary random audit selection to the Candidate and informed the Candidate that we would be contacting him. We then communicated to the Candidate in a written request, the purpose of the engagement, 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, spouse, children, siblings and a parent or spouse of any of those persons.

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 none appeared to be properly recorded in the Candidate's campaign finance reports.

The five withdrawals tested were personal purchases, made by the Candidate, totaling \$1,454.72. Per discussion with the Candidate, the financial institution linked his personal bank account with the Campaign bank account, and therefore when he used his personal debit card, the Campaign bank account was debited. He indicated that he reimbursed the Campaign for the personal purchases, however deposits for these specific amounts was not provided. He further indicated that the errors continued after he notified the financial institution.

The five deposits tested, per discussion with the Candidate, were reimbursements to the Campaign for personal purchases made in error by the financial institution, totaling \$1,717.99.

It was further noted that the Campaign finance report included the Primary Election Commission funding totaling \$16,044.00 on 6/15/16. The Campaign bank account did not include a corresponding deposit for this amount, however it did include a transfer from the Candidate's personal bank account for \$13,280.22, which represents a variance of \$2,763.78 of Commission monies that does not appear to have been deposited into the Campaign bank account. Per the Citizens Clean Elections Act & Rules Manual rule 16-948(A), a participating candidate shall conduct all financial activity through a single campaign account of the candidate's campaign committee.

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

Finding

After performing proof of cash procedures, we calculated a Post-Primary ending cash balance of \$20,181.06, however the Amended Post-Primary campaign finance report reflected an ending balance of \$23,202.06, reflecting a variance of \$3,021.00, and indicating that the Campaign overspent by this amount. Per the Citizens Clean Elections Act & Rules Manual rule 16-941 (A)(3), a participating candidate: shall not make expenditures in the primary election period in excess of the adjusted primary election spending limit.

In addition, during this testwork it was noted that ten of the expenditure items in the Post-Primary campaign finance report, totaling \$2,214.50, had not cleared the bank as of September 30, 2016. Per discussion with the Candidate, he paid these vendors with cash, however no petty cash fund had been set up for the Campaign, and these expenditures were not reported as reimbursements to the Candidate on the Campaign 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 one early contribution (total 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 greater than \$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 in 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 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 and to the Candidate's finance report, with no exceptions noted.

- (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 to the information reported in the Candidate's Campaign finance report with no exceptions noted, however three of the expenditures tested were made were to family members of the Candidate and the Campaign finance report did not indicate that they were family members. Per the Citizens Clean Elections Act & Rules Manual rule R2-20-701(C)(4), all payments made to family members or to enterprises owned in whole or part by the candidate or a family member shall be clearly itemized and indicated as such in all campaign finance reports.

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. The Campaign finance report included a \$264.50 expenditure for newspaper advertising, however this amount was not present on the Campaign bank statement. Per discussion with the Candidate, he paid this vendor in cash, however no petty cash fund had been set up for the Campaign and this expenditure was not reported as a reimbursement to the Candidate on the Campaign finance report.

- (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 agreed the name, address and nature of goods or services provided to the information reported in the Candidate's Campaign finance report with no exceptions noted.

- 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 \$1,420.

Finding

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods reviewed, however per review of the Campaign bank statement, several ATM withdrawals were made and per discussion with the Candidate, multiple vendors were paid with cash.

- (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 reviewed.

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

Finding

Based on inquiry of the Candidate, the campaign did not establish a legal defense fund.

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

Finding

Based on inquiry of the Candidate, the campaign did not establish a 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.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Pre-Primary and Post-Primary Campaign Finance Reports of Rubalcava for House. Accordingly, we do not express such an opinion. 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 Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

Aster & Chapman P.C.

December 13, 2016

EXHIBIT C

CITIZENS CLEAN ELECTIONS COMMISSION

Report on Agreed-Upon Procedures

**Jesus Rubalcava
Participating Candidate for
State Representative – District No. 4
2016 Election Cycle Finance Activity Comprehensive Review**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Chairman and Members of the Commission
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 Rubalcava for House (the Candidate), Campaign Finance Reports, Campaign bank account and corresponding documentation for expenditures and contributions for the 2016 election cycle (January 15, 2016 to January 31, 2017) were prepared or maintained 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 Campaign Finance Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 procedures and the associated findings are as follows:

1. The Contractor shall review bank statements for each of the months in the election cycle and perform the following:
 - a) Select 100% of the deposits and withdrawals from the campaign bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

Finding

The Candidate provided the Campaign bank statements for all months of the election cycle, however the Candidate indicated that he was unable to identify or locate any documentation supporting the deposits and withdrawals from the Campaign bank statements. The attached Bank Statement Deposit Summary and Bank Statement Withdrawal Summary describe the deposits and withdrawals noted in the Campaign bank statements.

- b) Select 100% of cash disbursements and withdrawals from the campaign bank statement 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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- (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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore the name, address and nature of goods or services provided could not be agreed to the information reported in the Candidate's Campaign finance report. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- (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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore expenditures made for a direct Campaign purpose could not be determined. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- 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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore joint expenditures were unable to be identified. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- c) Determine whether a legal defense has been established.

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- (i) Has any Clean funding been used to pay for legal services?

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- (ii) What is the cost or value of legal services being provided for the comprehensive audit and review of the finance activity?

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- d) 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 notification, 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 to our findings, which are included on pages 14-15 of this report.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the comprehensive audit and review of the finance activity of Rubalcava for House. Accordingly, we do not express such an opinion. 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 Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

Foster & Chapman P.C.

April 28, 2017

Bank Statement Deposit Summary

January 2016			
Date	Amount	Description	On Finance Report?
1/4/2016	\$ 200.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
1/4/2016	\$ 3.00	ATM Cash Deposit	No
1/4/2016	\$ 200.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
1/11/2016	\$ 2.00	Transfer from personal bank account	No
	\$ 405.00	January Deposit Total:	

January totals from above		Campaign Finance Report Totals	
\$ 2.00	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ 400.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 5.00
\$ 3.00	Purpose not determinable	Undeterminable	\$ 400.00
\$ 405.00			\$ 405.00

February 2016			
Date	Amount	Description	On Finance Report?
		No deposit activity noted	

March 2016			
Date	Amount	Description	On Finance Report?
3/10/2016	\$ 25.00	ATM Check Deposit	Yes
3/31/2016	\$ 100.00	ATM Cash Deposit	Yes
3/31/2016	\$ 60.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
	\$ 185.00	March Deposit Total:	

March totals from above		Campaign Finance Report Totals	
\$ -	Transfers from separate account	Included in Campaign Finance Report	\$ 125.00
\$ 125.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ -
\$ 60.00	Purpose not determinable	Undeterminable	\$ 60.00
\$ 185.00			\$ 185.00

April 2016			
Date	Amount	Description	On Finance Report?
4/4/2016	\$ 70.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
4/15/2016	\$ 30.00	Transfer from personal account	No
4/18/2016	\$ 30.00	Transfer from personal account	No
	\$ 130.00	April Deposit Total:	

April totals from above		Campaign Finance Report Totals	
\$ 60.00	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ -	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 60.00
\$ 70.00	Purpose not determinable	Undeterminable	\$ 70.00
\$ 130.00			\$ 130.00

May 2016			
Date	Amount	Description	On Finance Report?
5/6/2016	\$ 600.00	Transfer from personal account	No
5/11/2016	\$ 607.12	eDeposit IN Branch/Store	Undeterminable
5/11/2016	\$ 75.00	ATM Check Deposit	Yes
5/12/2016	\$ 500.00	Transfer from personal account	No
5/17/2016	\$ 100.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
5/23/2016	\$ 25.00	ATM Check Deposit	Undeterminable, significant number of contributions noted on report
5/31/2016	\$ 90.00	Transfer from personal account	No
	\$ 1,997.12	May Deposit Total:	

May totals from above		Campaign Finance Report Totals	
\$ 1,190.00	Transfers from separate account	Included in Campaign Finance Report	\$ 75.00
\$ 75.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,190.00
\$ 732.12	Purpose not determinable	Undeterminable	\$ 732.12
\$ 1,997.12			\$ 1,997.12

June 2016			
Date	Amount	Description	On Finance Report?
6/2/2016	\$ 100.20	ATM Check Deposit	Undeterminable, significant number of contributions noted on report
6/2/2016	\$ 45.00	Transfer from personal account	No
6/9/2016	\$ 52.85	Transfer from personal account	No
6/13/2016	\$ 53.00	Transfer from personal account	No
6/17/2016	\$ 13,280.22	Transfer from personal account	This is presumed to be part of the Commission Primary Election funding. Total funding = \$16,044.00, difference of \$2,763.78.
	\$ 13,531.27	June Deposit Total:	

June totals from above		Campaign Finance Report Totals	
\$ 150.85	Transfers from separate account	Included in Campaign Finance Report	\$ 13,280.22
\$ 13,280.22	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 150.85
\$ 100.20	Purpose not determinable	Undeterminable	\$ 100.20
\$ 13,531.27			\$ 13,531.27

July 2016			
Date	Amount	Description	On Finance Report?
No deposit activity noted			

August 2016			
Date	Amount	Description	On Finance Report?
8/4/2016	\$ 770.14	ATM Check Deposit	No
8/8/2016	\$ 77.00	eDeposit IN Branch/Store	Yes
8/9/2016	\$ 350.00	ATM Cash Deposit	No
8/29/2016	\$ 20.00	ATM Cash Deposit	No
8/29/2016	\$ 9.00	Transfer from personal account	No
8/30/2016	\$ 50.00	Transfer from personal account	No
	\$ 1,276.14	August Deposit Total:	

August totals from above		Campaign Finance Report Totals	
\$ 59.00	Transfers from separate account	Included in Campaign Finance Report	\$ 77.00
\$ 77.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,199.14
\$ 1,140.14	Purpose not determinable	Undeterminable	\$ -
\$ 1,276.14			\$ 1,276.14

September 2016			
Date	Amount	Description	On Finance Report?
9/6/2016	\$ 24,066.00	eDeposit IN Branch/Store	Yes
9/6/2016	\$ 320.00	ATM Cash Deposit	No
9/19/2016	\$ 500.00	ATM Cash Deposit	No
	\$ 24,886.00	September Deposit Total:	

September totals from above		Campaign Finance Report Totals	
\$ -	Transfers from separate account	Included in Campaign Finance Report	\$ 24,066.00
\$ 24,066.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 820.00
\$ 820.00	Purpose not determinable	Undeterminable	\$ -
\$ 24,886.00			\$ 24,886.00

October 2016			
Date	Amount	Description	On Finance Report?
10/3/2016	165.00	Transfer from personal account	No
10/5/2016	115.00	Transfer from personal account	No
10/12/2016	60.00	Transfer from personal account	No
10/24/2016	500.00	ATM Cash Deposit	No
10/24/2016	520.08	ATM Check Deposit	No
10/25/2016	33.00	Transfer from personal account	No
10/27/2016	34.48	Transfer from personal account	No
	\$ 1,427.56	October Deposit Total:	

October totals from above		Campaign Finance Report Totals	
\$ 407.48	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ -	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,427.56
\$ 1,020.08	Purpose not determinable	Undeterminable	\$ -
\$ 1,427.56			\$ 1,427.56

November 2016			
Date	Amount	Description	On Finance Report?
No deposit activity noted			

December 2016			
Date	Amount	Description	On Finance Report?
No deposit activity noted			

Total Period Deposits		Campaign Finance Report Totals	
\$ 0.58	Beginning Bank Balance, 01/01/16	Beginning Bank Balance, 01/01/16	\$ 0.58
\$ 1,869.33	Transfers from separate account	Included in Campaign Finance Report	\$ 37,623.22
\$ 38,023.22	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 4,852.55
\$ 3,945.54	Purpose not determinable	Undeterminable	\$ 1,362.32
\$ 43,838.67			\$ 43,838.67

Bank Statement Withdrawal Summary

January 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
1/4/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/4/2016	\$ 2.12	Family Dollar	Not determinable	n/a	No
1/4/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/7/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/11/2016	\$ 54.00	Transfer to personal account	No	n/a	No
1/11/2016	\$ 30.00	Western Union	No	n/a	No
1/11/2016	\$ 19.10	Pride Travel Center	Yes	Fuel	Yes
	\$ 405.22	January Withdrawal Total			

January totals from above	
\$ 300.00	ATM Withdrawals
\$ 54.00	Transfers to personal account
\$ 30.00	Non-Campaign Withdrawals
\$ 19.10	Possible Campaign Withdrawals
\$ 2.12	Purpose not determinable
\$ 405.22	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 386.12
Not included in Campaign Finance Report	\$ 19.10
	\$ 405.22

February 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No bank statement activity noted					

March 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
3/17/2016	\$ 2.82	Quiktrip Tolleson AZ	Not determinable	n/a	No
3/18/2016	\$ 19.99	Western Union	No	n/a	No
3/18/2016	\$ 2.00	Swa Inflight Service	No	n/a	No
	\$ 24.81	March Withdrawal Total			

March totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 21.99	Non-Campaign Withdrawals
\$ -	Possible Campaign Withdrawals
\$ 2.82	Purpose not determinable
\$ 24.81	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ -
Not included in Campaign Finance Report	\$ 24.81
	\$ 24.81

April 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
4/1/2016	\$ 10.25	Quiktrip Tolleson AZ	Not determinable	n/a	No
4/1/2016	\$ 60.00	ATM Withdrawal	No	n/a	No
4/4/2016	\$ 4.37	Burger King #9984 Buckeye AZ	Not determinable	n/a	No
4/4/2016	\$ 54.99	Western Union	No	n/a	No
4/6/2016	\$ 100.00	Check #101	Yes	Table fee for Yuma Co Fair	Yes
4/18/2016	\$ 10.01	Shell Service Station Gila Bend AZ	Not determinable	n/a	No
4/18/2016	\$ 27.99	Western Union	No	n/a	No
4/20/2016	\$ 4.82	Quiktrip Phoenix AZ	Not determinable	n/a	No
4/22/2016	\$ 8.00	Transfer to personal account	No	n/a	No
4/25/2016	\$ 5.41	Starbucks L3257 Los Angeles CA	No	n/a	No
	\$ 285.84	April Withdrawal Total			

April totals from above	
\$ 60.00	ATM Withdrawals
\$ 8.00	Transfers to personal account
\$ 88.39	Non-Campaign Withdrawals
\$ 100.00	Possible Campaign Withdrawals
\$ 29.45	Purpose not determinable
\$ 285.84	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 100.00
Not included in Campaign Finance Report	\$ 185.84
	\$ 285.84

May 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
5/9/2016	\$ 319.00	Transfer to personal account	No	n/a	No
5/11/2016	\$ 80.00	ATM Withdrawal	No	n/a	No
5/12/2016	\$ 59.50	Sams Club	Not determinable	n/a	No
5/23/2016	\$ 20.00	Sams Club	Yes	Fuel	Yes
5/31/2016	\$ 95.69	Renaissance Hotel Phoenix AZ	Not determinable	n/a	No
	\$ 574.19	May Withdrawal Total			

May totals from above		
\$ 80.00	ATM Withdrawals	
\$ 319.00	Transfers to personal account	
\$ -	Non-Campaign Withdrawals	
\$ 20.00	Possible Campaign Withdrawals	
\$ 155.19	Purpose not determinable	
\$ 574.19		

Campaign Finance Report Totals		
Included in Campaign Finance Report	\$ 20.00	
Not included in Campaign Finance Report	\$ 554.19	
	\$ 574.19	

June 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
6/1/2016	\$ 52.13	Reathrey Sekon Phoenix AZ	Not determinable	n/a	No
6/1/2016	\$ 24.65	Lin's Buffet Phoenix AZ	Not determinable	n/a	No
6/2/2016	\$ 80.00	ATM Withdrawal	No	n/a	No
6/6/2016	\$ 18.91	Popeye's #10632 Phoenix AZ	Not determinable	n/a	No
6/8/2016	\$ 1,415.00	Check #102	Yes	Submittal of \$5 qualifying contributions	Yes
6/9/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/13/2016	\$ 12.52	Dial Cab CO. Washington DC	No	n/a	No
6/13/2016	\$ 53.00	Cobalt Washington DC	No	n/a	No
6/13/2016	\$ 197.70	Uber	No	n/a	No
6/14/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/14/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/21/2016	\$ 14.97	Cracker Barrel 1780 S Yuma AZ	Yes	Meal expense	Yes
6/21/2016	\$ 23.00	Sam's Club Phoenix AZ	Not determinable	n/a	No
6/22/2016	\$ 439.19	AT&T*Bill Payment	No	n/a	No
6/22/2016	\$ 10.86	Panda Express #153 Goodyear AZ	Not determinable	n/a	No
6/23/2016	\$ 23.50	Love S Country0000 Gila Bend AZ	Not determinable	n/a	No
6/23/2016	\$ 12.41	McDonald's F1373 Washington DC	No	n/a	No
6/24/2016	\$ 25.00	American Air001028 Fort Worth TX	No	n/a	No
6/24/2016	\$ 21.80	Phx Delux Burger N Phoenix AZ	Not determinable	n/a	No
6/24/2016	\$ 28.45	Taxicharge- Washin Washington DC	No	n/a	No
6/24/2016	\$ 10.58	Dial Cab CO. Washington DC	No	n/a	No
6/24/2016	\$ 46.00	El Paso Cafe Arlington VA	No	n/a	No
6/24/2016	\$ 2,699.00	Check #103	Yes	Campaign literature & signs	Yes
6/27/2016	\$ 200.00	Southwest Title Loan	No	n/a	No
6/27/2016	\$ 63.50	ATM Withdrawal	No	n/a	No
6/27/2016	\$ 2.50	ATM fee	No	n/a	No
6/27/2016	\$ 46.00	Cafe Paradiso Washington DC	No	n/a	No
6/27/2016	\$ 12.16	Uber	No	n/a	No
6/27/2016	\$ 12.88	Uber	No	n/a	No
6/27/2016	\$ 25.00	District Kitchen L Washington DC	No	n/a	No
6/27/2016	\$ 8.80	Filiberto's Mexica Buckeye AZ	Yes	Meal expense	Yes
6/28/2016	\$ 25.17	Omni Shoreham Washington DC	No	n/a	No
6/28/2016	\$ 25.01	American Tap Room Arlington VA	No	n/a	No
6/28/2016	\$ 55.00	Sky Harbor Parking Phoenix AZ	No	n/a	No
6/28/2016	\$ 149.64	Omni Shoreham Washington DC	No	n/a	No
6/28/2016	\$ 29.00	Circle K 00225 Gila Bend AZ	Not determinable	n/a	No
6/29/2016	\$ 800.00	Check #104	Yes	VAN	Yes
6/30/2016	\$ 200.00	Check #107	Yes	Canvass	Yes
6/30/2016	\$ 104.96	Lowe's	Yes	Pounder/Wire	Yes
6/30/2016	\$ 30.43	Lowe's	Yes	Pounder	Yes
6/30/2016	\$ 3,374.91	Check #106	Yes	Signs/Lit/Paper	Yes
	\$ 10,478.63	June Withdrawal Total			

June totals from above	
\$ 143.50	ATM Withdrawals
\$ -	Transfers to personal account
\$ 1,483.21	Non-Campaign Withdrawals
\$ 8,648.07	Possible Campaign Withdrawals
\$ 203.85	Purpose not determinable
\$ 10,478.63	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 8,648.07
Not included in Campaign Finance Report	\$ 1,830.56
	\$ 10,478.63

July 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
7/1/2016	\$ 100.00	Check #108	Not determinable	n/a	No
7/1/2016	\$ 150.00	Check #111	Not determinable	n/a	No
7/5/2016	\$ 7.01	The Home Depot 402 Yuma AZ	Not determinable	n/a	No
7/5/2016	\$ 255.85	Check #105	Yes	Rebar	Yes
7/6/2016	\$ 300.00	Cashed Check #116	Yes	Canvass	Yes
7/7/2016	\$ 29.00	Shell Service Station Gila Bend AZ	Not determinable	n/a	No
7/7/2016	\$ 138.42	Transfer to personal account	No	n/a	No
7/7/2016	\$ 29.41	Lin's Buffet Phoenix AZ	Not determinable	n/a	No
7/7/2016	\$ 100.00	ATM Withdrawal	No	n/a	No
7/7/2016	\$ 200.00	Check #114	Not determinable	n/a	No
7/7/2016	\$ 200.00	Check #112	Not determinable	n/a	No
7/8/2016	\$ 281.72	Frys Food 2626 83Rd Av Phoenix AZ	Not determinable	n/a	No
7/11/2016	\$ 30.88	Marisco's MI Lindo Phoenix AZ	Not determinable	n/a	No
7/11/2016	\$ 23.00	Sam's Club Avondale AZ	Not determinable	n/a	No
7/12/2016	\$ 26.00	Sam's Club Phoenix AZ	Not determinable	n/a	No
7/13/2016	\$ 110.00	Main Event/Mty Air CA	No	n/a	No
7/13/2016	\$ 30.00	Cracker Barrel 1780 S Yuma AZ	Not determinable	n/a	No
7/14/2016	\$ 186.96	Southwest	No	n/a	No
7/14/2016	\$ 15.00	Southwest	No	n/a	No
7/14/2016	\$ 5.47	Taco Bell #23212 Buckeye AZ	Not determinable	n/a	No
7/14/2016	\$ 15.00	Southwest	No	n/a	No
7/14/2016	\$ 24.00	Arco #42258 Ampm Yuma AZ	Yes	Fuel	Yes
7/14/2016	\$ 130.00	Cashed Check #120	Yes	Canvass	Yes
7/14/2016	\$ 852.86	Check #118	Yes	Lawn signs	Yes
7/14/2016	\$ 200.00	Check #115	Yes	Canvass	Yes
7/15/2016	\$ 49.40	Michaels Stores Inc206 Goodyear AZ	Not determinable	n/a	No
7/18/2016	\$ 40.88	Hooters Yuma Yuma AZ	Not determinable	n/a	No
7/18/2016	\$ 24.99	Western Union	No	n/a	No
7/18/2016	\$ 430.87	Hilton Advance Pur Memphis TN	No	n/a	No
7/18/2016	\$ 18.95	Uber	No	n/a	No
7/18/2016	\$ 18.81	Uber	No	n/a	No
7/18/2016	\$ 15.00	Chevron 0307165 Alpine CA	No	n/a	No
7/18/2016	\$ 22.00	Frys Food & Drug 11203 Yuma AZ	Not determinable	n/a	No
7/19/2016	\$ 54.00	Hilton Garden Inn San Diego CA	No	n/a	No
7/19/2016	\$ 86.00	Coaster Saloon San Diego CA	No	n/a	No
7/19/2016	\$ 14.99	Smartfinal499 Phoenix AZ	Not determinable	n/a	No
7/19/2016	\$ 23.50	Circle K 03397 Buckeye AZ	Yes	Fuel	Yes
7/19/2016	\$ 35.00	Transfer to personal account	No	n/a	No
7/19/2016	\$ 190.00	Check #119	Yes	Tradeshelper, Salt River Project	Yes
7/20/2016	\$ 8.20	Sheraton Phoenix P Phoenix AZ	Not determinable	n/a	No
7/20/2016	\$ 29.11	Uber	No	n/a	No
7/21/2016	\$ 35.00	Overdraft Fee	No	n/a	No
7/21/2016	\$ 22.00	Barrio Cafe T43003 Phoenix AZ	Not determinable	n/a	No
7/22/2016	\$ 35.00	Overdraft Fee	No	n/a	No
\$ 4,594.28	July Withdrawal Total				

July totals from above	
\$ 100.00	ATM Withdrawals
\$ 173.42	Transfers to personal account
\$ 1,074.69	Non-Campaign Withdrawals
\$ 1,976.21	Possible Campaign Withdrawals
\$ 1,269.96	Purpose not determinable
\$ 4,594.28	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 1,976.21
Not included in Campaign Finance Report	\$ 2,618.07
	\$ 4,594.28

August 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
8/5/2016	\$ 50.00	Transfer to personal account	No	n/a	No
8/5/2016	\$ 16.50	Sam's Club Avondale AZ	Not determinable	n/a	No
8/8/2016	\$ 57.87	Wal-Mart Super Center Phoenix AZ	Not determinable	n/a	No
8/8/2016	\$ 20.00	Circle K 03397 Buckeye AZ	Not determinable	n/a	No
8/8/2016	\$ 10.93	Little Caesars #32 Buckeye AZ	Not determinable	n/a	No
8/8/2016	\$ 48.57	Target T- 1515 N Litch Goodyear AZ	Not determinable	n/a	No
8/9/2016	\$ 150.00	Venmo 855-812-4430 NY	Not determinable	n/a	No
8/9/2016	\$ 378.84	AT&T*Bill Payment	No	n/a	No
8/17/2016	\$ 200.00	Check	Not determinable	n/a	No
8/22/2016	\$ 13.00	Charlie's Phoenix Phoenix AZ	Not determinable	n/a	No
8/24/2016	\$ 20.00	Loves Cntry St Gila Bend AZ	Not determinable	n/a	No
8/29/2016	\$ 44.54	American Air	No	n/a	No
8/29/2016	\$ 25.00	LA Tasca (King Str Alexandria VA	No	n/a	No
8/29/2016	\$ 18.19	Uber	No	n/a	No
8/30/2016	\$ 12.10	Georgetown Market Arlington VA	No	n/a	No
8/30/2016	\$ 27.00	Sky Harbor Parking Phoenix AZ	No	n/a	No
8/30/2016	\$ 55.00	Pullanos Pizza Glendale AZ	Not determinable	n/a	No

\$ 1,147.54 August Withdrawal Total

August totals from above	
\$ -	ATM Withdrawals
\$ 50.00	Transfers to personal account
\$ 505.67	Non-Campaign Withdrawals
\$ -	Possible Campaign Withdrawals
\$ 591.87	Purpose not determinable
\$ 1,147.54	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ -
Not included in Campaign Finance Report	\$ 1,147.54
	\$ 1,147.54

September 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
9/7/2016	\$ 300.00	Check #192	Yes	Canvass	Yes
9/7/2016	\$ 300.00	Check #191	Yes	Canvass	Yes
9/8/2016	\$ 10.00	Quiktrip Phoenix AZ	Not determinable	n/a	No
9/12/2016	\$ 28.00	Charlie's Phoenix	Not determinable	n/a	No
9/13/2016	\$ 48.54	Pullanos Pizza Glendale AZ	Not determinable	n/a	No
9/13/2016	\$ 197.10	Tm *Sia	No	n/a	No
9/15/2016	\$ 250.00	Check #198	Not determinable	n/a	No
9/15/2016	\$ 300.00	Check #197	Not determinable	n/a	No
9/19/2016	\$ 11.20	American Air	No	n/a	No
9/19/2016	\$ 75.00	American Air	No	n/a	No
9/19/2016	\$ 36.33	Birrieria Obregon Phoenix AZ	Not determinable	n/a	No
9/19/2016	\$ 142.37	My Ticket Tracker	No	n/a	No
9/20/2016	\$ 21.00	Arco #42533 Ampm Phoenix AZ	Not determinable	n/a	No
9/23/2016	\$ 56.00	Mariscos Altata Phoenix AZ	Not determinable	n/a	No
9/23/2016	\$ 306.50	Centurylink/Speedp	No	n/a	No
9/26/2016	\$ 127.21	Fairfield Inn & Su Phoenix AZ	No	n/a	No
9/26/2016	\$ 8.28	Federicos Buckeye AZ	Not determinable	n/a	No
9/26/2016	\$ 27.00	Circle K 00225 Gila Bend AZ	Not determinable	n/a	No
9/29/2016	\$ 35.00	Arizona List Tucson AZ	Not determinable	n/a	No
9/29/2016	\$ 247.55	4Imprint	Yes	Table runner	Yes

\$ 2,527.08 September Withdrawal Total

September totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 859.38	Non-Campaign Withdrawals
\$ 847.55	Possible Campaign Withdrawals
\$ 820.15	Purpose not determinable
\$ 2,527.08	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 847.55
Not included in Campaign Finance Report	\$ 1,679.53
	\$ 2,527.08

October 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
10/11/2016	60.00	Under Review Sport Surprise AZ	Not determinable	n/a	No
10/18/2016	520.08	Marriott San Jose San Jose CA	No	n/a	No
10/19/2016	200.00	Check	Not determinable	n/a	No
10/19/2016	300.00	Check	Not determinable	n/a	No
10/21/2016	35.00	NSF Return Item Fee	No	n/a	No
10/24/2016	22,651.00	Check	Yes	Return of CCEC funds	Yes
10/25/2016	35.00	Overdraft Fee	No	n/a	No
\$ 23,801.08		October Withdrawal Total			

October totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 590.08	Non-Campaign Withdrawals
\$ 22,651.00	Possible Campaign Withdrawals
\$ 560.00	Purpose not determinable
\$ 23,801.08	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 22,651.00
Not included in Campaign Finance Report	\$ 1,150.08
	\$ 23,801.08

November 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No withdrawal activity noted					

December 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No withdrawal activity noted					

Total Election Cycle Withdrawals	
\$ 683.50	ATM Withdrawals
\$ 604.42	Transfers to personal account
\$ 4,653.41	Non-Campaign Withdrawals
\$ 34,261.93	Possible Campaign Withdrawals
\$ 3,635.41	Purpose not determinable
\$ 43,838.67	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 34,628.95
Not included in Campaign Finance Report	\$ 9,209.72
	\$ 43,838.67

April 28, 2017

To: Chairman and Members of the Commission
Citizens Clean Elections Commission

From: Jesus Rubalcava, Participating Candidate
for State Representative – District No. 4

Re: 2016 Election Cycle Finance Activity Comprehensive Review

Dear Chairman and Members,

I would like to start off by thanking you for the opportunity to participate as a participating candidate in the 2016 Election Cycle. Please acknowledge that I am not by any means challenging the results of the review, nor am I denying any wrong doing. More so, this is acknowledgement that my campaign finances were not effectively run and that my lesson has been learned. Moving forward, should I be given the opportunity, I now know what to do and what not to do. This letter is to explain and clarify some questions you may have in regards to the issues and concerns brought before you.

It is important to know that this was my first time running for such position. I had never had to file full campaign accounts and never had to form a committee for the purpose of running for office. Many things I did not know. For example, I did not know that I needed to set up a petty cash account. I did not know where or how to disclose family members that worked for my campaign. I did not know that I needed to hire legal counsel. I did call the Citizens Clean Elections Commission office twice to ask for 1) what or how much to pay individuals working for the campaign and 2) where to obtain a mileage reimbursement form. I did not receive a concrete answer for either questions, rather was told to attend the CCEC Orientation again. Again, this is not justification or an excuse.

The biggest issue with my campaign was that I used my bank account that linked with my campaign account. For example, I would deposit a check into what I thought was one account and it would end up

in another. Another example, I would use my campaign debit card for a transaction and it would withdraw from my personal account. Because this was so confusing to me, I began to use the filing report with the Secretary of State as my accounting and balance.

I was not able to provide additional documentation other than my bank statements for the following reason. I am a Special Education teacher in the Buckeye Elementary School District. When going through my initial audit, I had all of my campaign documents in my classroom. Over holiday break, I was moved into different classrooms 2 times. During this time, many of my personal belongings and documents were misplaced. I still have not been able to relocate them.

I ask the commission to please consider the reasoning for such flaws in this campaign finance. I accept the report on findings as a way to acknowledge and learn from what was done incorrectly and how to do things the correct way. I am willing to accept the consequences of my wrongdoing and ask that the commission allow me to take corrective actions in order to comply; whether this be repaying back any unaccounted monies and fees set forth by the commission.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'JR' or 'JRH' with a stylized flourish.

Jesus A Rubalcava

EXHIBIT D

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damlen R. Meyer
Mark S. Kimble
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

NOTICE OF COMPLAINT AND OPPORTUNITY TO RESPOND
Via Federal Express and E-mail

May 23, 2017

The Honorable Jesus Rubalcalva
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

806 W. Margaret St.
Gila Bend, AZ 85337

RE: CCEC MUR #17-01

Dear Representative Rubalcalva:

This letter serves as an internal complaint against you by the Executive Director of the Arizona Citizens Clean Elections Commission.

Complaint

Recently, the Arizona Citizens Clean Elections Commission accepted an audit of your campaign finances from the 2016 election. This comprehensive review, which followed a random audit related to the primary period, raised a number of issues related to the financing of your campaign as a participating candidate under the Citizens Clean Elections Act. Indeed, the audit provides substantial evidence that you may have violated a number of provisions of the Clean Elections Act and Rules.

According to the audit, you are unable to locate any documentation supporting your withdrawals from the campaign bank account, nor the identities or any contact information relating to goods and services purchases reported on your campaign finance reports, documentation of direct campaign expenditures or joint expenditures. The two audit reviews also confirm that you maintained more than one bank account that was used for campaign purposes throughout the campaign. Additionally, the reviews show that at no time did you deposit the entirety of your primary clean funding into your campaign bank account, that more than the primary and general limits applicable to you passed through the campaign bank account, and that bank account records and your campaign finance reports do not match. Among other things, the auditors were unable to reconcile deposits with claimed contributions noted on your campaign finance reports.

These allegations raise numerous potential violations. Participating candidates:

1. Shall not accept any contributions, other than a limited number of five-dollar qualifying contributions as specified in section 16-946 and early contributions as specified in section 16-945, except in the emergency situation specified in section 16-954, subsection F.
2. Shall not make expenditures of more than a total of five hundred dollars of the candidate's personal monies for a candidate for the legislature or more than one thousand dollars for a candidate for statewide office.
3. Shall not make expenditures in the primary election period in excess of the adjusted primary election spending limit.
4. Shall not make expenditures in the general election period in excess of the adjusted general election spending limit.
5. Shall comply with section 16-948 regarding campaign accounts and section 16-953 regarding returning unused monies to the citizens clean elections fund described in this article.

A.R.S. § 16-941(A). The audits provide evidence none of these requirements were complied with.

For example, A.R.S. § 16-953 (A) and (B) provide that “[a]t the end of the [primary or general] election period, a participating candidate. . . shall return to the fund all monies in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made during the . . . election period and for goods or services directed to the . . . election.” In the absence of evidence that monies provided from the Clean Elections Commission were used for campaign expenditures, any unaccounted dollars became due to the fund under A.R.S. §§ 16-941 and 953.

Likewise, A.R.S. § 16-948 provides that a participating candidate “shall conduct *all financial activity* through a single campaign account of the candidate's campaign committee. A participating candidate shall not make any deposits into the campaign account other than those permitted under section 16-945 or 16-946.” (Emphasis added). Here, the audit reports are replete with indications you used more than one bank account and made multiple deposits from undetermined sources. This provides substantial evidence of ongoing violations on A.R.S. 16-941(A)(5) throughout the campaign, as well as 941(A)(1) and (A)(2).

Additionally, the auditors were unable to determine if direct campaign expenditures, joint expenditures, or other expenditures and contributions were made or accepted and properly reported. *See* Ariz. Admin. Code §§ R2-20-104, 109, 110, 111, 702, 703, 704 (2016).

Penalties for violating the Citizens Clean Elections Act and Rules include fines, repayment, and other penalties, including, in certain cases, removal from office. *See* A.R.S. §16-942(A)-(D); Ariz. Admin. Code §§ R2-20-222, -704.

Opportunity for Response

Commission rules require notification to be given to the Respondent of a Complaint. Ariz. Admin. Code § R2-20-204(A). Additionally, the rules provide that you be advised of compliance procedures. Those procedures are set forth in Article 2 of the Commission's Rules (Arizona Administrative Code Sections R2-20-201 to R2-20-228) as well as the Clean Elections

Act (specifically Arizona Revised Statutes §§ 16-940 to 16-961), which are available on the Commission website at www.azcleelections.gov.

The Commission's rules provide that a Respondent "be afforded an opportunity to demonstrate that no action should be taken on the basis of a complaint by submitting, *within five days from receipt of a written copy of the complaint*, a letter or memorandum setting forth reasons why the Commission should take no action." Ariz. Admin. Code R2-20-205(A). Your response must be notarized, or the Commission will not consider it. Ariz. Admin. Code R2-20-205(C). Generally, a failure to respond to a complaint within five days may be viewed as an admission to the allegations. *Id.*

Commission rules require that you be given this notice and Complaint. The issuance of this notice and Complaint do not constitute a finding related to the Complaint. A finding, if any, may be made only after the Commission has reviewed the matter. Additionally, I would recommend you seek legal counsel, as the Commission and its staff cannot provide legal advice to you.

Please contact us if you have any questions at (602) 364-3477 or by e-mail at ccec@azcleelections.gov.

Sincerely,



Thomas M. Collins
Executive Director
Arizona Citizens Clean Elections Commission

Enclosure: Approved Audit Report

cc: Sara Larsen, Financial Affairs & Compliance Officer (email only)

CITIZENS CLEAN ELECTIONS COMMISSION

Report on Agreed-Upon Procedures

**Jesus Rubalcava
Participating Candidate for
State Representative – District No. 4
Primary Election 2016**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Chairman and Members of the Commission
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 Rubalcava for House (the Candidate) Campaign Finance Reports for both the Pre-Primary (June 1, 2016 to August 18, 2016) and the Post-Primary (August 19, 2016 to September 19, 2016) 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. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 procedures and the associated findings are as follows:

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 (June 1, 2016 to August 18, 2016) and Post-Primary (August 19, 2016 to September 19, 2016) 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 reviewed did not exceed the \$160 early contribution limit.

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

Finding

Early contributions received during the periods reviewed did not exceed the \$4,011 limit for a legislative candidate.

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

Finding

Early contributions received during the periods reviewed did not exceed the \$720 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 six disbursements to family members of the candidate, however the Campaign finance report did not indicate that the expenditures were made to family members. Per the Citizens Clean Elections Act & Rules Manual rule R2-20-701(C)(4), all payments made to family members or to enterprises owned in whole or part by the candidate or a family member shall be clearly itemized and indicated as such in all campaign finance reports.

In addition, there were three loans outstanding on the Post-Primary finance report that were made to the Campaign by the Candidate in December 2015, totaling \$69.93, that do not appear to have been repaid to the Candidate. In addition, supporting documentation for these loans was not maintained by the Campaign. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-104(E), if the loan is to be repaid, the loans shall be repaid promptly upon receipt of Clean Elections funds if the participating candidate qualifies for Clean Elections funding. The Campaign received its Clean Elections funding on June 15, 2016.

It was further noted that the Campaign finance report had significantly fewer transactions than what was shown on the Campaign bank statements. Per discussion with the Candidate, the financial institution linked his personal bank account with the Campaign bank account, and therefore when he used his personal debit card, the Campaign bank account was debited. We noted approximately forty-one personal transactions consisting of out of state restaurant purchases, travel and other non-Campaign related items on the Campaign bank statement, totaling \$3,461.74; three ATM withdrawals, totaling \$243.50; five overdraft fees, totaling \$175.00; and three transfers from the Campaign bank account to the Candidate's personal bank account, totaling \$223.42. The Candidate indicated that he reimbursed the Campaign for these personal transactions, however deposits for these specific amounts was not provided. We noted eleven possible reimbursements to the Campaign on the bank statements, totaling \$2,270.19.

- 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 an agreed-upon procedures attest engagement. Candidates chosen for a Primary Election Audit shall provide records from the Pre-Primary Election Report and the Post-Primary Election Report. Candidates chosen for a General Election Audit shall provide records from the Pre-General Election Report and the Post-General Election Report.

Finding

Commission staff sent an initial notice of primary random audit selection to the Candidate and informed the Candidate that we would be contacting him. We then communicated to the Candidate in a written request, the purpose of the engagement, 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, spouse, children, siblings and a parent or spouse of any of those persons.

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 none appeared to be properly recorded in the Candidate's campaign finance reports.

The five withdrawals tested were personal purchases, made by the Candidate, totaling \$1,454.72. Per discussion with the Candidate, the financial institution linked his personal bank account with the Campaign bank account, and therefore when he used his personal debit card, the Campaign bank account was debited. He indicated that he reimbursed the Campaign for the personal purchases, however deposits for these specific amounts was not provided. He further indicated that the errors continued after he notified the financial institution.

The five deposits tested, per discussion with the Candidate, were reimbursements to the Campaign for personal purchases made in error by the financial institution, totaling \$1,717.99.

It was further noted that the Campaign finance report included the Primary Election Commission funding totaling \$16,044.00 on 6/15/16. The Campaign bank account did not include a corresponding deposit for this amount, however it did include a transfer from the Candidate's personal bank account for \$13,280.22, which represents a variance of \$2,763.78 of Commission monies that does not appear to have been deposited into the Campaign bank account. Per the Citizens Clean Elections Act & Rules Manual rule 16-948(A), a participating candidate shall conduct all financial activity through a single campaign account of the candidate's campaign committee.

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

Finding

After performing proof of cash procedures, we calculated a Post-Primary ending cash balance of \$20,181.06, however the Amended Post-Primary campaign finance report reflected an ending balance of \$23,202.06, reflecting a variance of \$3,021.00, and indicating that the Campaign overspent by this amount. Per the Citizens Clean Elections Act & Rules Manual rule 16-941 (A)(3), a participating candidate: shall not make expenditures in the primary election period in excess of the adjusted primary election spending limit.

In addition, during this testwork it was noted that ten of the expenditure items in the Post-Primary campaign finance report, totaling \$2,214.50, had not cleared the bank as of September 30, 2016. Per discussion with the Candidate, he paid these vendors with cash, however no petty cash fund had been set up for the Campaign, and these expenditures were not reported as reimbursements to the Candidate on the Campaign 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 one early contribution (total 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 greater than \$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 in 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 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 and to the Candidate's finance report, with no exceptions noted.

- (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 to the information reported in the Candidate's Campaign finance report with no exceptions noted, however three of the expenditures tested were made were to family members of the Candidate and the Campaign finance report did not indicate that they were family members. Per the Citizens Clean Elections Act & Rules Manual rule R2-20-701(C)(4), all payments made to family members or to enterprises owned in whole or part by the candidate or a family member shall be clearly itemized and indicated as such in all campaign finance reports.

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. The Campaign finance report included a \$264.50 expenditure for newspaper advertising, however this amount was not present on the Campaign bank statement. Per discussion with the Candidate, he paid this vendor in cash, however no petty cash fund had been set up for the Campaign and this expenditure was not reported as a reimbursement to the Candidate on the Campaign finance report.

- (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 agreed the name, address and nature of goods or services provided to the information reported in the Candidate's Campaign finance report with no exceptions noted.

- 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 \$1,420.

Finding

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the periods reviewed, however per review of the Campaign bank statement, several ATM withdrawals were made and per discussion with the Candidate, multiple vendors were paid with cash.

- (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 reviewed.

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

Finding

Based on inquiry of the Candidate, the campaign did not establish a legal defense fund.

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

Finding

Based on inquiry of the Candidate, the campaign did not establish a 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.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Pre-Primary and Post-Primary Campaign Finance Reports of Rubalcava for House. Accordingly, we do not express such an opinion. 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 Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

Foster & Chapman P.C.

December 13, 2016

EXHIBIT B

CITIZENS CLEAN ELECTIONS COMMISSION

Report on Agreed-Upon Procedures

**Jesus Rubalcava
Participating Candidate for
State Representative – District No. 4
2016 Election Cycle Finance Activity Comprehensive Review**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Chairman and Members of the Commission
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 Rubalcava for House (the Candidate), Campaign Finance Reports, Campaign bank account and corresponding documentation for expenditures and contributions for the 2016 election cycle (January 15, 2016 to January 31, 2017) were prepared or maintained 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 Campaign Finance Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 procedures and the associated findings are as follows:

1. The Contractor shall review bank statements for each of the months in the election cycle and perform the following:
 - a) Select 100% of the deposits and withdrawals from the campaign bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

Finding

The Candidate provided the Campaign bank statements for all months of the election cycle, however the Candidate indicated that he was unable to identify or locate any documentation supporting the deposits and withdrawals from the Campaign bank statements. The attached Bank Statement Deposit Summary and Bank Statement Withdrawal Summary describe the deposits and withdrawals noted in the Campaign bank statements.

b) Select 100% of cash disbursements and withdrawals from the campaign bank statement 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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- (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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore the name, address and nature of goods or services provided could not be agreed to the information reported in the Candidate's Campaign finance report. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- (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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore expenditures made for a direct Campaign purpose could not be determined. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- 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

The Candidate indicated that he was unable to identify or locate any documentation supporting the withdrawals from the Campaign bank statements, therefore joint expenditures were unable to be identified. The attached Bank Statement Withdrawal Summary describe the withdrawals noted in the Campaign bank statements.

- c) Determine whether a legal defense has been established.

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- (i) Has any Clean funding been used to pay for legal services?

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- (ii) What is the cost or value of legal services being provided for the comprehensive audit and review of the finance activity?

Finding

Based on inquiry of the Candidate, the Campaign did not establish a legal defense.

- d) 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 notification, 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 to our findings, which are included on pages 14-15 of this report.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the comprehensive audit and review of the finance activity of Rubalcava for House. Accordingly, we do not express such an opinion. 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 Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

Foster & Chapman P.C.

April 28, 2017

Bank Statement Deposit Summary

January 2016

Date	Amount	Description	On Finance Report?
1/4/2016	\$ 200.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
1/4/2016	\$ 3.00	ATM Cash Deposit	No
1/4/2016	\$ 200.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
1/11/2016	\$ 2.00	Transfer from personal bank account	No
	<u>\$ 405.00</u>	January Deposit Total:	

January totals from above		Campaign Finance Report Totals	
\$ 2.00	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ 400.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 5.00
\$ 3.00	Purpose not determinable	Undeterminable	\$ 400.00
\$ 405.00			<u>\$ 405.00</u>

February 2016

Date	Amount	Description	On Finance Report?
		No deposit activity noted	

March 2016

Date	Amount	Description	On Finance Report?
3/10/2016	\$ 25.00	ATM Check Deposit	Yes
3/31/2016	\$ 100.00	ATM Cash Deposit	Yes
3/31/2016	\$ 60.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
	<u>\$ 185.00</u>	March Deposit Total:	

March totals from above		Campaign Finance Report Totals	
\$ -	Transfers from separate account	Included in Campaign Finance Report	\$ 125.00
\$ 125.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ -
\$ 60.00	Purpose not determinable	Undeterminable	\$ 60.00
\$ 185.00			<u>\$ 185.00</u>

April 2016

Date	Amount	Description	On Finance Report?
4/4/2016	\$ 70.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
4/15/2016	\$ 30.00	Transfer from personal account	No
4/18/2016	\$ 30.00	Transfer from personal account	No
	<u>\$ 130.00</u>	April Deposit Total:	

April totals from above		Campaign Finance Report Totals	
\$ 60.00	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ -	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 60.00
\$ 70.00	Purpose not determinable	Undeterminable	\$ 70.00
\$ 130.00			<u>\$ 130.00</u>

May 2016

Date	Amount	Description	On Finance Report?
5/6/2016	\$ 600.00	Transfer from personal account	No
5/11/2016	\$ 607.12	eDeposit IN Branch/Store	Undeterminable
5/11/2016	\$ 75.00	ATM Check Deposit	Yes
5/12/2016	\$ 500.00	Transfer from personal account	No
5/17/2016	\$ 100.00	ATM Cash Deposit	Undeterminable, significant number of contributions noted on report
5/23/2016	\$ 25.00	ATM Check Deposit	Undeterminable, significant number of contributions noted on report
5/31/2016	\$ 90.00	Transfer from personal account	No
	<u>\$ 1,997.12</u>	May Deposit Total:	

May totals from above		Campaign Finance Report Totals	
\$ 1,190.00	Transfers from separate account	Included in Campaign Finance Report	\$ 75.00
\$ 75.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,190.00
\$ 732.12	Purpose not determinable	Undeterminable	\$ 732.12
\$ 1,997.12			<u>\$ 1,997.12</u>

June 2016

Date	Amount	Description	On Finance Report?
6/2/2016	\$ 100.20	ATM Check Deposit	Undeterminable, significant number of contributions noted on report
6/2/2016	\$ 45.00	Transfer from personal account	No
6/9/2016	\$ 52.85	Transfer from personal account	No
6/13/2016	\$ 53.00	Transfer from personal account	No
6/17/2016	\$ 13,280.22	Transfer from personal account	This is presumed to be part of the Commission Primary Election funding.
	<u>\$ 13,531.27</u>	June Deposit Total:	Total funding = \$16,044.00, difference of \$2,763.78.

June totals from above		Campaign Finance Report Totals	
\$ 150.85	Transfers from separate account	Included in Campaign Finance Report	\$ 13,280.22
\$ 13,280.22	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 150.85
\$ 100.20	Purpose not determinable	Undeterminable	\$ 100.20
<u>\$ 13,531.27</u>			<u>\$ 13,531.27</u>

July 2016

Date	Amount	Description	On Finance Report?
No deposit activity noted			

August 2016

Date	Amount	Description	On Finance Report?
8/4/2016	\$ 770.14	ATM Check Deposit	No
8/8/2016	\$ 77.00	eDeposit IN Branch/Store	Yes
8/9/2016	\$ 350.00	ATM Cash Deposit	No
8/29/2016	\$ 20.00	ATM Cash Deposit	No
8/29/2016	\$ 9.00	Transfer from personal account	No
8/30/2016	\$ 50.00	Transfer from personal account	No
	<u>\$ 1,276.14</u>	August Deposit Total:	

August totals from above		Campaign Finance Report Totals	
\$ 59.00	Transfers from separate account	Included in Campaign Finance Report	\$ 77.00
\$ 77.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,199.14
\$ 1,140.14	Purpose not determinable	Undeterminable	\$ -
<u>\$ 1,276.14</u>			<u>\$ 1,276.14</u>

September 2016

Date	Amount	Description	On Finance Report?
9/6/2016	\$ 24,066.00	eDeposit IN Branch/Store	Yes
9/6/2016	\$ 320.00	ATM Cash Deposit	No
9/19/2016	\$ 500.00	ATM Cash Deposit	No
	<u>\$ 24,886.00</u>	September Deposit Total:	

September totals from above		Campaign Finance Report Totals	
\$ -	Transfers from separate account	Included in Campaign Finance Report	\$ 24,066.00
\$ 24,066.00	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 820.00
\$ 820.00	Purpose not determinable	Undeterminable	\$ -
<u>\$ 24,886.00</u>			<u>\$ 24,886.00</u>

October 2016

Date	Amount	Description	On Finance Report?
10/3/2016	165.00	Transfer from personal account	No
10/5/2016	115.00	Transfer from personal account	No
10/12/2016	60.00	Transfer from personal account	No
10/24/2016	500.00	ATM Cash Deposit	No
10/24/2016	520.08	ATM Check Deposit	No
10/25/2016	33.00	Transfer from personal account	No
10/27/2016	34.48	Transfer from personal account	No
	<u>\$ 1,427.56</u>	October Deposit Total:	

October totals from above		Campaign Finance Report Totals	
\$ 407.48	Transfers from separate account	Included in Campaign Finance Report	\$ -
\$ -	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 1,427.56
\$ 1,020.08	Purpose not determinable	Undeterminable	\$ -
<u>\$ 1,427.56</u>			<u>\$ 1,427.56</u>

November 2016			
Date	Amount	Description	On Finance Report?
No deposit activity noted			

December 2016			
Date	Amount	Description	On Finance Report?
No deposit activity noted			

Total Period Deposits		Campaign Finance Report Totals	
\$ 0.58	Beginning Bank Balance, 01/01/16	Beginning Bank Balance, 01/01/16	\$ 0.58
\$ 1,869.33	Transfers from separate account	Included in Campaign Finance Report	\$ 37,623.22
\$ 38,023.22	Possible Campaign Deposits	Not included in Campaign Finance Report	\$ 4,852.55
\$ 3,945.54	Purpose not determinable	Undeterminable	\$ 1,362.32
\$ 43,838.67			\$ 43,838.67

Bank Statement Withdrawal Summary

January 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
1/4/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/4/2016	\$ 2.12	Family Dollar	Not determinable	n/a	No
1/4/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/7/2016	\$ 100.00	ATM Withdrawal	Not determinable	n/a	No
1/11/2016	\$ 54.00	Transfer to personal account	No	n/a	No
1/11/2016	\$ 30.00	Western Union	No	n/a	No
1/11/2016	\$ 19.10	Pride Travel Center	Yes	Fuel	Yes
	\$ 405.22	January Withdrawal Total			

January totals from above	
\$ 300.00	ATM Withdrawals
\$ 54.00	Transfers to personal account
\$ 30.00	Non-Campaign Withdrawals
\$ 19.10	Possible Campaign Withdrawals
\$ 2.12	Purpose not determinable
\$ 405.22	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 386.12
Not included in Campaign Finance Report	\$ 19.10
	\$ 405.22

February 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No bank statement activity noted					

March 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
3/17/2016	\$ 2.82	Quiktrip Tolleson AZ	Not determinable	n/a	No
3/18/2016	\$ 19.99	Western Union	No	n/a	No
3/18/2016	\$ 2.00	Swa Inflight Service	No	n/a	No
	\$ 24.81	March Withdrawal Total			

March totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 21.99	Non-Campaign Withdrawals
\$ -	Possible Campaign Withdrawals
\$ 2.82	Purpose not determinable
\$ 24.81	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ -
Not included in Campaign Finance Report	\$ 24.81
	\$ 24.81

April 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
4/1/2016	\$ 10.25	Quiktrip Tolleson AZ	Not determinable	n/a	No
4/1/2016	\$ 60.00	ATM Withdrawal	No	n/a	No
4/4/2016	\$ 4.37	Burger King #9984 Buckeye AZ	Not determinable	n/a	No
4/4/2016	\$ 54.99	Western Union	No	n/a	No
4/6/2016	\$ 100.00	Check #101	Yes	Table fee for Yuma Co Fair	Yes
4/18/2016	\$ 10.01	Shell Service Station Gila Bend AZ	Not determinable	n/a	No
4/18/2016	\$ 27.99	Western Union	No	n/a	No
4/20/2016	\$ 4.82	Quiktrip Phoenix AZ	Not determinable	n/a	No
4/22/2016	\$ 8.00	Transfer to personal account	No	n/a	No
4/25/2016	\$ 5.41	Starbucks L3257 Los Angeles CA	No	n/a	No
	\$ 285.84	April Withdrawal Total			

April totals from above	
\$ 60.00	ATM Withdrawals
\$ 8.00	Transfers to personal account
\$ 88.39	Non-Campaign Withdrawals
\$ 100.00	Possible Campaign Withdrawals
\$ 29.45	Purpose not determinable
\$ 285.84	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 100.00
Not included in Campaign Finance Report	\$ 185.84
	\$ 285.84

May 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
5/9/2016	\$ 319.00	Transfer to personal account	No	n/a	No
5/11/2016	\$ 80.00	ATM Withdrawal	No	n/a	No
5/12/2016	\$ 59.50	Sams Club	Not determinable	n/a	No
5/23/2016	\$ 20.00	Sams Club	Yes	Fuel	Yes
5/31/2016	\$ 95.69	Renaissance Hotel Phoenix AZ	Not determinable	n/a	No
	\$ 574.19	May Withdrawal Total			

May totals from above		
\$ 80.00	ATM Withdrawals	
\$ 319.00	Transfers to personal account	
\$ -	Non-Campaign Withdrawals	
\$ 20.00	Possible Campaign Withdrawals	
\$ 155.19	Purpose not determinable	
\$ 574.19		

Campaign Finance Report Totals		
Included in Campaign Finance Report	\$	20.00
Not included in Campaign Finance Report	\$	554.19
	\$	574.19

June 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
6/1/2016	\$ 52.13	Reathrey Sekon Phoenix AZ	Not determinable	n/a	No
6/1/2016	\$ 24.65	Lin's Buffet Phoenix AZ	Not determinable	n/a	No
6/2/2016	\$ 80.00	ATM Withdrawal	No	n/a	No
6/6/2016	\$ 18.91	Popeye's #10632 Phoenix AZ	Not determinable	n/a	No
				Submittal of \$5 qualifying contributions	
6/8/2016	\$ 1,415.00	Check #102	Yes		Yes
6/9/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/13/2016	\$ 12.52	Dial Cab CO. Washington DC	No	n/a	No
6/13/2016	\$ 53.00	Cobalt Washington DC	No	n/a	No
6/13/2016	\$ 197.70	Uber	No	n/a	No
6/14/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/14/2016	\$ 35.00	Overdraft fee	No	n/a	No
6/21/2016	\$ 14.97	Cracker Barrel 1780 S Yuma AZ	Yes	Meal expense	Yes
6/21/2016	\$ 23.00	Sam's Club Phoenix AZ	Not determinable	n/a	No
6/22/2016	\$ 439.19	AT&T*Bill Payment	No	n/a	No
6/22/2016	\$ 10.86	Panda Express #153 Goodyear AZ	Not determinable	n/a	No
6/23/2016	\$ 23.50	Love S Country0000 Gila Bend AZ	Not determinable	n/a	No
6/23/2016	\$ 12.41	McDonald's F1373 Washington DC	No	n/a	No
6/24/2016	\$ 25.00	American Air001028 Fort Worth TX	No	n/a	No
6/24/2016	\$ 21.80	Phx Delux Burger N Phoenix AZ	Not determinable	n/a	No
6/24/2016	\$ 28.45	Taxicharge- Washin Washington DC	No	n/a	No
6/24/2016	\$ 10.58	Dial Cab CO. Washington DC	No	n/a	No
6/24/2016	\$ 46.00	El Paso Cafe Arlington VA	No	n/a	No
6/24/2016	\$ 2,699.00	Check #103	Yes	Campaign literature & signs	Yes
6/27/2016	\$ 200.00	Southwest Title Loan	No	n/a	No
6/27/2016	\$ 63.50	ATM Withdrawal	No	n/a	No
6/27/2016	\$ 2.50	ATM fee	No	n/a	No
6/27/2016	\$ 46.00	Cafe Paradiso Washington DC	No	n/a	No
6/27/2016	\$ 12.16	Uber	No	n/a	No
6/27/2016	\$ 12.88	Uber	No	n/a	No
6/27/2016	\$ 25.00	District Kitchen L Washington DC	No	n/a	No
6/27/2016	\$ 8.80	Filiberto's Mexica Buckeye AZ	Yes	Meal expense	Yes
6/28/2016	\$ 25.17	Omni Shoreham Washington DC	No	n/a	No
6/28/2016	\$ 25.01	American Tap Room Arlington VA	No	n/a	No
6/28/2016	\$ 55.00	Sky Harbor Parking Phoenix AZ	No	n/a	No
6/28/2016	\$ 149.64	Omni Shoreham Washington DC	No	n/a	No
6/28/2016	\$ 29.00	Circle K 00225 Gila Bend AZ	Not determinable	n/a	No
6/29/2016	\$ 800.00	Check #104	Yes	VAN	Yes
6/30/2016	\$ 200.00	Check #107	Yes	Canvass	Yes
6/30/2016	\$ 104.96	Lowe's	Yes	Pounder/Wire	Yes
6/30/2016	\$ 30.43	Lowe's	Yes	Pounder	Yes
6/30/2016	\$ 3,374.91	Check #106	Yes	Signs/Lit/Paper	Yes
	\$ 10,478.63	June Withdrawal Total			

June totals from above		
\$ 143.50	ATM Withdrawals	
\$ -	Transfers to personal account	
\$ 1,483.21	Non-Campaign Withdrawals	
\$ 8,648.07	Possible Campaign Withdrawals	
\$ 203.85	Purpose not determinable	
\$ 10,478.63		

Campaign Finance Report Totals		
Included in Campaign Finance Report	\$	8,648.07
Not included in Campaign Finance Report	\$	1,830.56
	\$	10,478.63

July 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
7/1/2016	\$ 100.00	Check #108	Not determinable	n/a	No
7/1/2016	\$ 150.00	Check #111	Not determinable	n/a	No
7/5/2016	\$ 7.01	The Home Depot 402 Yuma AZ	Not determinable	n/a	No
7/5/2016	\$ 255.85	Check #105	Yes	Rebar	Yes
7/6/2016	\$ 300.00	Cashed Check #116	Yes	Canvass	Yes
7/7/2016	\$ 29.00	Shell Service Station Gila Bend AZ	Not determinable	n/a	No
7/7/2016	\$ 138.42	Transfer to personal account	No	n/a	No
7/7/2016	\$ 29.41	Lin's Buffet Phoenix AZ	Not determinable	n/a	No
7/7/2016	\$ 100.00	ATM Withdrawal	No	n/a	No
7/7/2016	\$ 200.00	Check #114	Not determinable	n/a	No
7/7/2016	\$ 200.00	Check #112	Not determinable	n/a	No
7/8/2016	\$ 281.72	Frys Food 2626 83Rd Av Phoenix AZ	Not determinable	n/a	No
7/11/2016	\$ 30.88	Marisco's MI Lindo Phoenix AZ	Not determinable	n/a	No
7/11/2016	\$ 23.00	Sam's Club Avondale AZ	Not determinable	n/a	No
7/12/2016	\$ 26.00	Sam's Club Phoenix AZ	Not determinable	n/a	No
7/13/2016	\$ 110.00	Main Event/Mty Air CA	No	n/a	No
7/13/2016	\$ 30.00	Cracker Barrel 1780 S Yuma AZ	Not determinable	n/a	No
7/14/2016	\$ 186.96	Southwest	No	n/a	No
7/14/2016	\$ 15.00	Southwest	No	n/a	No
7/14/2016	\$ 5.47	Taco Bell #23212 Buckeye AZ	Not determinable	n/a	No
7/14/2016	\$ 15.00	Southwest	No	n/a	No
7/14/2016	\$ 24.00	Arco #42258 Ampm Yuma AZ	Yes	Fuel	Yes
7/14/2016	\$ 130.00	Cashed Check #120	Yes	Canvass	Yes
7/14/2016	\$ 852.86	Check #118	Yes	Lawn signs	Yes
7/14/2016	\$ 200.00	Check #115	Yes	Canvass	Yes
7/15/2016	\$ 49.40	Michaels Stores Inc206 Goodyear AZ	Not determinable	n/a	No
7/18/2016	\$ 40.88	Hooters Yuma Yuma AZ	Not determinable	n/a	No
7/18/2016	\$ 24.99	Western Union	No	n/a	No
7/18/2016	\$ 430.87	Hilton Advance Pur Memphis TN	No	n/a	No
7/18/2016	\$ 18.95	Uber	No	n/a	No
7/18/2016	\$ 18.81	Uber	No	n/a	No
7/18/2016	\$ 15.00	Chevron 0307165 Alpine CA	No	n/a	No
7/18/2016	\$ 22.00	Frys Food & Drug 11203 Yuma AZ	Not determinable	n/a	No
7/19/2016	\$ 54.00	Hilton Garden Inn San Diego CA	No	n/a	No
7/19/2016	\$ 86.00	Coaster Saloon San Diego CA	No	n/a	No
7/19/2016	\$ 14.99	Smartfinal499 Phoenix AZ	Not determinable	n/a	No
7/19/2016	\$ 23.50	Circle K 03397 Buckeye AZ	Yes	Fuel	Yes
7/19/2016	\$ 35.00	Transfer to personal account	No	n/a	No
7/19/2016	\$ 190.00	Check #119	Yes	Tradeshelper, Salt River Project	Yes
7/20/2016	\$ 8.20	Sheraton Phoenix P Phoenix AZ	Not determinable	n/a	No
7/20/2016	\$ 29.11	Uber	No	n/a	No
7/21/2016	\$ 35.00	Overdraft Fee	No	n/a	No
7/21/2016	\$ 22.00	Barrio Cafe T43003 Phoenix AZ	Not determinable	n/a	No
7/22/2016	\$ 35.00	Overdraft Fee	No	n/a	No
\$ 4,594.28		July Withdrawal Total			

July totals from above		
\$ 100.00	ATM Withdrawals	
\$ 173.42	Transfers to personal account	
\$ 1,074.69	Non-Campaign Withdrawals	
\$ 1,976.21	Possible Campaign Withdrawals	
\$ 1,269.96	Purpose not determinable	
\$ 4,594.28		

Campaign Finance Report Totals		
Included in Campaign Finance Report	\$	1,976.21
Not included in Campaign Finance Report	\$	2,618.07
	\$	4,594.28

August 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
8/5/2016	\$ 50.00	Transfer to personal account	No	n/a	No
8/5/2016	\$ 16.50	Sam's Club Avondale AZ	Not determinable	n/a	No
8/8/2016	\$ 57.87	Wal-Mart Super Center Phoenix AZ	Not determinable	n/a	No
8/8/2016	\$ 20.00	Circle K 03397 Buckeye AZ	Not determinable	n/a	No
8/8/2016	\$ 10.93	Little Caesars #32 Buckeye AZ	Not determinable	n/a	No
8/8/2016	\$ 48.57	Target T- 1515 N Litch Goodyear AZ	Not determinable	n/a	No
8/9/2016	\$ 150.00	Venmo 855-812-4430 NY	Not determinable	n/a	No
8/9/2016	\$ 378.84	AT&T*Bill Payment	No	n/a	No
8/17/2016	\$ 200.00	Check	Not determinable	n/a	No
8/22/2016	\$ 13.00	Charlie's Phoenix Phoenix AZ	Not determinable	n/a	No
8/24/2016	\$ 20.00	Loves Cntry St Gila Bend AZ	Not determinable	n/a	No
8/29/2016	\$ 44.54	American Air	No	n/a	No
8/29/2016	\$ 25.00	LA Tasca (King Str Alexandria VA	No	n/a	No
8/29/2016	\$ 18.19	Uber	No	n/a	No
8/30/2016	\$ 12.10	Georgetown Market Arlington VA	No	n/a	No
8/30/2016	\$ 27.00	Sky Harbor Parking Phoenix AZ	No	n/a	No
8/30/2016	\$ 55.00	Pullanos Pizza Glendale AZ	Not determinable	n/a	No
\$ 1,147.54 August Withdrawal Total					

August totals from above	
\$ -	ATM Withdrawals
\$ 50.00	Transfers to personal account
\$ 505.67	Non-Campaign Withdrawals
\$ -	Possible Campaign Withdrawals
\$ 591.87	Purpose not determinable
\$ 1,147.54	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ -
Not included in Campaign Finance Report	\$ 1,147.54
	\$ 1,147.54

September 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
9/7/2016	\$ 300.00	Check #192	Yes	Canvass	Yes
9/7/2016	\$ 300.00	Check #191	Yes	Canvass	Yes
9/8/2016	\$ 10.00	Quiktrip Phoenix AZ	Not determinable	n/a	No
9/12/2016	\$ 28.00	Charlie's Phoenix	Not determinable	n/a	No
9/13/2016	\$ 48.54	Pullanos Pizza Glendale AZ	Not determinable	n/a	No
9/13/2016	\$ 197.10	Tm *Sia	No	n/a	No
9/15/2016	\$ 250.00	Check #198	Not determinable	n/a	No
9/15/2016	\$ 300.00	Check #197	Not determinable	n/a	No
9/19/2016	\$ 11.20	American Air	No	n/a	No
9/19/2016	\$ 75.00	American Air	No	n/a	No
9/19/2016	\$ 36.33	Birrieria Obregon Phoenix AZ	Not determinable	n/a	No
9/19/2016	\$ 142.37	My Ticket Tracker	No	n/a	No
9/20/2016	\$ 21.00	Arco #42533 Ampm Phoenix AZ	Not determinable	n/a	No
9/23/2016	\$ 56.00	Mariscos Altata Phoenix AZ	Not determinable	n/a	No
9/23/2016	\$ 306.50	Centurylink/Speedp	No	n/a	No
9/26/2016	\$ 127.21	Fairfield Inn & Su Phoenix AZ	No	n/a	No
9/26/2016	\$ 8.28	Federicos Buckeye AZ	Not determinable	n/a	No
9/26/2016	\$ 27.00	Circle K 00225 Gila Bend AZ	Not determinable	n/a	No
9/29/2016	\$ 35.00	Arizona List Tucson AZ	Not determinable	n/a	No
9/29/2016	\$ 247.55	4Imprint	Yes	Table runner	Yes
\$ 2,527.08 September Withdrawal Total					

September totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 859.38	Non-Campaign Withdrawals
\$ 847.55	Possible Campaign Withdrawals
\$ 820.15	Purpose not determinable
\$ 2,527.08	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 847.55
Not included in Campaign Finance Report	\$ 1,679.53
	\$ 2,527.08

October 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
10/11/2016	60.00	Under Review Sport Surprise AZ	Not determinable	n/a	No
10/18/2016	520.08	Marriott San Jose San Jose CA	No	n/a	No
10/19/2016	200.00	Check	Not determinable	n/a	No
10/19/2016	300.00	Check	Not determinable	n/a	No
10/21/2016	35.00	NSF Return Item Fee	No	n/a	No
10/24/2016	22,651.00	Check	Yes	Return of CCEC funds	Yes
10/25/2016	35.00	Overdraft Fee	No	n/a	No
\$ 23,801.08		October Withdrawal Total			

October totals from above	
\$ -	ATM Withdrawals
\$ -	Transfers to personal account
\$ 590.08	Non-Campaign Withdrawals
\$ 22,651.00	Possible Campaign Withdrawals
\$ 560.00	Purpose not determinable
\$ 23,801.08	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 22,651.00
Not included in Campaign Finance Report	\$ 1,150.08
	\$ 23,801.08

November 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No withdrawal activity noted					

December 2016

Date	Amount	Vendor or Check #	Possible Campaign Purpose	Purpose	On Finance Report?
No withdrawal activity noted					

Total Election Cycle Withdrawals	
\$ 683.50	ATM Withdrawals
\$ 604.42	Transfers to personal account
\$ 4,653.41	Non-Campaign Withdrawals
\$ 34,261.93	Possible Campaign Withdrawals
\$ 3,635.41	Purpose not determinable
\$ 43,838.67	

Campaign Finance Report Totals	
Included in Campaign Finance Report	\$ 34,628.95
Not included in Campaign Finance Report	\$ 9,209.72
	\$ 43,838.67

April 28, 2017

To: Chairman and Members of the Commission
Citizens Clean Elections Commission

From: Jesus Rubalcava, Participating Candidate
for State Representative – District No. 4

Re: 2016 Election Cycle Finance Activity Comprehensive Review

Dear Chairman and Members,

I would like to start off by thanking you for the opportunity to participate as a participating candidate in the 2016 Election Cycle. Please acknowledge that I am not by any means challenging the results of the review, nor am I denying any wrong doing. More so, this is acknowledgement that my campaign finances were not effectively run and that my lesson has been learned. Moving forward, should I be given the opportunity, I now know what to do and what not to do. This letter is to explain and clarify some questions you may have in regards to the issues and concerns brought before you.

It is important to know that this was my first time running for such position. I had never had to file full campaign accounts and never had to form a committee for the purpose of running for office. Many things I did not know. For example, I did not know that I needed to set up a petty cash account. I did not know where or how to disclose family members that worked for my campaign. I did not know that I needed to hire legal counsel. I did call the Citizens Clean Elections Commission office twice to ask for 1) what or how much to pay individuals working for the campaign and 2) where to obtain a mileage reimbursement form. I did not receive a concrete answer for either questions, rather was told to attend the CCEC Orientation again. Again, this is not justification or an excuse.

The biggest issue with my campaign was that I used my bank account that linked with my campaign account. For example, I would deposit a check into what I thought was one account and it would end up

in another. Another example, I would use my campaign debit card for a transaction and it would withdraw from my personal account. Because this was so confusing to me, I began to use the filing report with the Secretary of State as my accounting and balance.

I was not able to provide additional documentation other than my bank statements for the following reason. I am a Special Education teacher in the Buckeye Elementary School District. When going through my initial audit, I had all of my campaign documents in my classroom. Over holiday break, I was moved into different classrooms 2 times. During this time, many of my personal belongings and documents were misplaced. I still have not been able to relocate them.

I ask the commission to please consider the reasoning for such flaws in this campaign finance. I accept the report on findings as a way to acknowledge and learn from what was done incorrectly and how to do things the correct way. I am willing to accept the consequences of my wrongdoing and ask that the commission allow me to take corrective actions in order to comply; whether this be repaying back any unaccounted monies and fees set forth by the commission.

Thank you for your time and consideration.

Sincerely,



Jesus A Rubalcava

EXHIBIT E

May 30, 2017

To: Tom Collins
Citizens Clean Elections Commission

From: Jesus Rubalcava
2016 Participating Candidate

RE: Notice of Complaint/Opportunity to Respond

Dear Executive Director Collins & Commission Members:

Thank you for the opportunity to respond to this complaint. Please acknowledge that I am not by any means challenging the results of the review, nor am I denying any wrong doing. More so, this is acknowledgement that my campaign finances were not effectively run and that my lesson has been learned. Moving forward, should I be given the opportunity, I now know what to do and what not to do. This memo is to explain and/or clarify the complaints brought forth.

Complaint #1.

I did accept contributions other than the \$5 contributions because it was my understanding that a candidate was allowed to receive early contributions with a limit on the amount a candidate could receive. According to the Citizens Clean Elections Commission and as posted on their website "individuals may contribute up to a maximum of \$160". The following Exhibit A. demonstrates the amounts received and the individuals who contributed.

Exhibit A.

Schedule C2 - Individual contributions Covers period 11/25/2014 to 11/8/2016			
Name / Address	Date	Amount	Cycle To Date
Wilson, Sandi 22943 W Durango St, Buckeye, AZ 85326 Manager, Palo Verde Elementary School District 49	12/08/2015	\$5.00	\$5.00
Bacon, Julia 8098 E Theresa Dr, Scottsdale, AZ 85255 Homemaker, Self	02/22/2016	\$100.00	\$100.00
Navarrete, Otoniel PO Box 18611, Phoenix, AZ 85005 Retired, None	02/25/2016	\$100.00	\$100.00
Ogle, Kathe 20418 N 98th Pl, Scottsdale, AZ 85255 homemaker, Homemaker	02/25/2016	\$100.00	\$100.00
Alvarado, M L 3834 W Ocotillo Rd, Phoenix, AZ 85019 Retired, Retired	03/04/2016	\$25.00	\$25.00

Complaint #2.

I did contribute \$177.00 of my personal money to the campaign. According to the Citizens Clean Elections Commission and website, it states that " Candidates may contribute his or her personal funds up to a maximum amount of \$740 for candidates for the legislature and \$1,460 for candidates running for a statewide office." Please see Exhibit B.

Exhibit B.

Schedule C1 - Personal and family contributions Covers period 11/25/2014 to 11/8/2016

Name / Address	Date	Amount	Cycle To Date
Rubalcava, Jesus A 806 W Margaret St, Gila Bend, AZ 85337 Educator, Palo Verde ESD	12/04/2015	\$100.00	\$177.00
Rubalcava, Jesus A 806 W Margaret St, Gila Bend, AZ 85337 Educator, Palo Verde ESD	08/08/2016	\$77.00	\$177.00

Complaint #3.

According to the campaign finance reports submitted to the Secretary of State, I did not exceed the amount of the adjusted primary election spending limit. A copy of the finance reports filed with the Arizona Secretary of State are available for your review: Exhibit C, Exhibit D, Exhibit E, Exhibit G, and Exhibit H.

Complaint #4.

According to the campaign finance reports submitted to the Secretary of State, I did not exceed the amount of the adjusted general election spending limit. I did not receive funding for the general election because I was unopposed and learned I was unopposed until late September. The only expenditures were made were for payments made to individuals helping take down

signs after the election or those individuals working on the campaign in the case that I would have General Election opposition. A copy of the finance reports filed with the Arizona Secretary of State are available for your review: Exhibit C, Exhibit D, Exhibit E, Exhibit G, and Exhibit H.

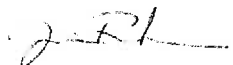
Complaint #5.

According to the reports filed with the Arizona Secretary of State, there wasn't any unused monies that were not returned to the Citizens Clean Elections Commission. If I am mistaken, I ask that I be allowed to make the necessary arrangements to pay back whatever amount the commission feels is owed.

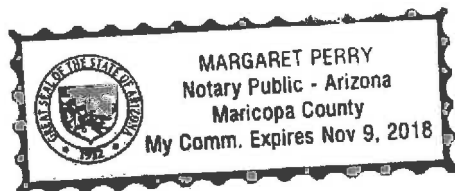
Executive Director Collins and Commission, please know that this was my first time running for such position. I had never had to file full campaign accounts and never had to form a committee for the purpose of running for office. Many things I did not know. For example, I did not know that I needed to set up a petty cash account. I did not know where or how to disclose family members that worked for my campaign. I did not know that I needed to hire legal counsel. The biggest issue with my campaign was that I used my bank account that linked with my campaign account. For example, I would deposit a check into what I thought was one account and it would end up in another. Another example, I would use my campaign debit card for a transaction and it would withdraw from my personal account. Because this was so confusing to me, I began to use the filing report with the Secretary of State as my accounting and balance. I ask the commission to please consider the reasoning for such flaws in this campaign finance. I accept the report on findings as a way to acknowledge and learn from what was done incorrectly and how to do things the correct way. I am willing to accept the consequences of my wrongdoing and ask that the commission allow me to take corrective actions in order to comply; whether this be repaying back any unaccounted monies and fees set forth by the commission.

Thank you for your time and consideration.

Sincerely,

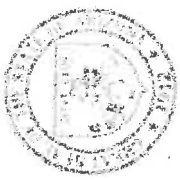


Jesus A Rubalcava



Margaret Perry
Commission expires Nov 9, 2018

State of Arizona



Campaign Finance Report

Treasurer: Nevarez, Rosa PO Box 863, Gila Bend, AZ 85337 Phone: (602) 295-2102 Email: jesusarubalcava@gmail.com Candidate Name: Rubalcava, Jesus A Office Sought: State Representative - District 4	Rubalcava for House Committee #: 201600368
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Amended 2016 Interim Report

Election Cycle:	2016-2016
Date Filed:	May 12, 2016
Reporting Period:	January 1, 2016-January 11, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$127.00
Total Cash Receipts this Reporting Period:	\$10.00
Total Cash Disbursements this Reporting Period:	\$19.10
Cash Balance at End of Reporting Period:	\$117.90

Report ID: 163897

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00		\$0.00	\$100.00
Individual Contributions	C2	\$0.00		\$0.00	\$5.00
Contributions from Political Committees	C3	\$0.00		\$0.00	\$0.00
Business Contributions	C4	\$0.00		\$0.00	\$0.00
Small Contributions	C5	\$0.00		\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00		\$0.00	\$0.00
Qualifying Contributions	C7	\$10.00		\$10.00	\$10.00
Loans Made to this Committee	L1	\$0.00		\$0.00	\$0.00
Other Receipts, Including Interest and Dividends	R1	\$0.00		\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00		\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00		\$0.00	\$0.00
Total Income		\$10.00		\$10.00	\$175.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$19.10		\$19.10	\$127.03
Independent Expenditures	E2	\$0.00		\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00		\$0.00	\$0.00
Other Expenses	E4	\$0.00		\$0.00	\$0.00
Transfers to Other Committees	T1	\$0.00		\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00		\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00		\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00		\$0.00	\$0.00
Total Expenditures		\$19.10		\$19.10	\$127.03
Bill Payments for Previous Expenditures	D1	\$0.00		\$0.00	\$0.00
Total Cash Disbursed		\$19.10		\$0.00	\$0.00

State of Arizona



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: Jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Amended 2016 Primary Recap Report

Election Cycle: 2015-2016
Date Filed: September 4, 2016
Reporting Period: August 24, 2016-August 30, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$2,747.56
Total Cash Receipts this Reporting Period:	\$0.00
Total Cash Disbursements this Reporting Period:	\$2,750.00
Cash Balance at End of Reporting Period:	(\$2.44)

Report ID: 163938

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$177.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$16,044.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$0.00	\$0.00	\$0.00	\$16,806.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$0.00	\$0.00	\$0.00	\$4,497.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$2,750.00	\$0.00	\$2,750.00	\$12,381.28
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$2,750.00	\$0.00	\$2,750.00	\$16,878.37
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$2,750.00	\$0.00	\$2,750.00	\$0.00

State of Arizona



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Amended 2016 June 30th Report

Election Cycle: 2015-2016
Date Filed: November 1, 2016
Reporting Period: January 1, 2016-May 31, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$127.00
Total Cash Receipts this Reporting Period:	\$1,935.00
Total Cash Disbursements this Reporting Period:	\$2,089.16
Cash Balance at End of Reporting Period:	(\$27.16)

Report ID: 163894

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$100.00
Individual Contributions	C2	\$520.00	\$0.00	\$520.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$50.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$0.00
Qualifying Contributions	C7	\$1,415.00	\$0.00	\$1,415.00	\$1,415.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, Including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$1,935.00	\$0.00	\$1,935.00	\$2,100.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$2,089.16	\$0.00	\$2,089.16	\$2,197.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$0.00	\$0.00	\$0.00	\$0.00
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$2,089.16	\$0.00	\$2,089.16	\$2,197.09
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$2,089.16	\$0.00	\$2,089.16	\$2,197.09

State of Arizona



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Amended 2016 Post-Primary Election Report

Election Cycle: 2015-2016
Date Filed: November 1, 2016
Reporting Period: August 19, 2016-September 19, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$2,747.56
Total Cash Receipts this Reporting Period:	\$24,066.00
Total Cash Disbursements this Reporting Period:	\$3,614.50
Cash Balance at End of Reporting Period:	\$23,199.06

Report ID: 163937

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$177.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$50.00
CCEC Funding and Matching	C6	\$24,066.00	\$0.00	\$24,066.00	\$40,110.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, Including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$24,066.00	\$0.00	\$24,066.00	\$40,872.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$0.00	\$0.00	\$0.00	\$4,497.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$3,614.50	\$0.00	\$3,614.50	\$13,245.78
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$3,614.50	\$0.00	\$3,614.50	\$17,742.87
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$3,614.50	\$0.00	\$3,614.50	\$0.00

Schedule C6 - Clean Elections funding and matching

Name:	Citizens Clean Election Commission	Date	09/06/2016	Amount		Cycle To Date	\$40,110.00
Address:	1616 W Adams, Suite 110, Phoenix, AZ 85007			\$24,066.00	Cash		
Trans. Type:	CCEC Funding Received						
Total of Funding Received from Clean Elections				\$24,066.00			
Total of Funds Returned to Clean Elections				\$0.00			
Net Total of Funding from Clean Elections				\$24,066.00			

State of Arizona



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Amended 2016 Pre-Primary Election Report

Election Cycle: 2015-2016
Date Filed: November 2, 2016
Reporting Period: June 1, 2016-August 18, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	(\$27.16)
Total Cash Receipts this Reporting Period:	\$14,706.00
Total Cash Disbursements this Reporting Period:	\$11,931.28
Cash Balance at End of Reporting Period:	\$2,747.56

Report ID: 163936

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$77.00	\$0.00	\$77.00	\$177.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$60.00
CCEC Funding and Matching	C6	\$16,044.00	\$0.00	\$16,044.00	\$16,044.00
Qualifying Contributions	C7	(\$1,415.00)	\$0.00	(\$1,415.00)	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, Including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$14,706.00	\$0.00	\$14,706.00	\$16,806.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$2,300.00	\$0.00	\$2,300.00	\$4,497.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$9,631.28	\$0.00	\$9,631.28	\$9,631.28
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$11,931.28	\$0.00	\$11,931.28	\$14,128.37
Bill Payments for Previous Expenditures	D1	\$0.00			\$0.00
Total Cash Disbursed		\$11,931.28	\$0.00	\$11,931.28	\$14,128.37

EXHIBIT F

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damien R. Meyer
Mark S. Kimble
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

June 23, 2017

Via E-Mail and Overnight Mail

The Honorable Jesus Rubalcava
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

806 W. Margaret Street
Gila Bend, AZ 85337

Re: Order of Compliance and Deadline to Comply

Dear Representative Rubalcava:

This letter serves to inform you that the Arizona Citizens Clean Elections commission has determined that there is reason to believe you have committed violations of the Clean Elections Act and Rules.

Pursuant to the Commission's June 22 vote, you are ordered to comply with the Commission's determination (Attachment 1). You are ordered to comply within 14 days. Ariz. Admin Code R2-20-208. During this period, you "may provide any explanation to the Commission, comply with the order, or enter into a public administrative settlement with the Commission." *Id.* Failure to comply can lead to serious consequences, including loss of office, fines and repayment obligations. In order to account for the time to deliver these materials by overnight mail, **the deadline to comply with this order is July 10, 2017.**

As you have been previously informed, neither the Commission nor its staff may provide legal assistance to you, although you should give serious consideration to engaging an attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Collins", is written over a horizontal line.

Thomas M. Collins
Executive Director

Attachment

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION
MUR: No. 17-01 JESUS RUBALCAVA
STATEMENT OF REASONS OF EXECUTIVE DIRECTOR

On behalf of the Citizens Clean Elections Commission ("Commission"), the Executive Director hereby provides the Statement of Reasons showing reason to believe that violations of the Citizens Clean Elections Act and or the Commission rules (collectively, the "Act") may have occurred.

I. Procedural Background

Jesus Rubalcava ("Respondent"), a 2016 participating candidate for State Representative of Legislative District 4, was selected for a random primary election audit on September 15, 2016. Based on findings from the random audit (**Exhibit A**), the Commission approved a comprehensive audit and review for Respondent and Respondent's candidate campaign committee on January 19, 2017. On April 28, 2017, the independent auditors, Fester & Chapman P.C., submitted the final comprehensive audit to the Commission (**Exhibit B**).

On May 23, 2017, the Executive Director served Respondent with an internal Complaint regarding the findings of the comprehensive audit and review (**Exhibit C**). The Complaint alleges Respondent may have violated the Clean Elections Act and Rules by: (1) accepting contributions other than individual contributions and \$5 qualifying contributions; (2) making expenditures in excess of the personal money contribution limit; (3) making expenditures in excess of the adjusted primary election spending limit; (4) making expenditures in excess of the adjusted general election spending limit; (5) failing to comply with A.R.S. §16-948 regarding campaign accounts; and (6) failing to comply with A.R.S. §16-953 regarding the return of unused monies to the Citizens Clean Elections Fund. The Complaint also noticed Respondent of potential reporting violations and related penalties.

On May 30, 2017, Respondent submitted a Response to the Complaint (**Exhibit D**).

Because of the audit and Respondent's related admissions noted below, it is clear that numerous violations may have occurred. The failure to document transactions properly, coupled with the usage of funds and dual bank accounts noted in the audits, gives rise to potentially serious violations. An investigation will determine whether there is probable cause to believe a violation has occurred, as well as the scope of the violation.

II. Alleged Violations

A. Exceeding early contribution limit

Pursuant to A.R.S. §16-941(A)(1), a participating candidate shall not accept any contributions, other than a limited number of five-dollar qualifying and early individual contributions.

The auditors found that Respondent made transfers from a separate bank account to the campaign bank account totaling \$1,869.33 and made additional deposits, whose purpose cannot be determined, into the campaign bank account in the amount of \$3,945.54. Respondent's Amended June 30th Report details that Respondent collected \$1,415 in qualifying contributions (**Exhibit E**). Respondent's Amended Qualifying Period Recap Report details that Respondent received \$177 in personal and family contributions, \$525 in early individual contributions, and \$60 in small contributions (**Exhibit F**). The total combined amount of received contributions as reported by Respondent is \$2,177. Respondent deposited into his bank account a total of \$5,814.87 (not including Clean Elections Funding); this is \$3,637.87 more than the total combined qualifying contributions, individual contributions, small contributions, and personal and family contributions Respondent reported on his campaign finance reports.

In his Response, Respondent states he did accept contributions other than the \$5 qualifying contributions, but he received early contributions from individuals and referenced his campaign finance reports as an exhibit. However, the campaign finance reports referenced by Respondent do not match the deposits made in the bank account. Moreover, Respondent does not "disput[e] the outcome of the audit." Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 ("I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.") (**Exhibit G**); *accord* Response at 1 ("Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing."). Additionally, Respondent failed to provide sufficient documentation for all campaign activity in his campaign finance reports, pursuant to R2-20-104. As such, the auditors and Commission staff are unable to determine if contributions comply with the limits. A.R.S. § 16-941(A)(1) ("[A] participating candidate. . . [s]hall not accept any contributions, other than a limited number of five-dollar qualifying contributions as specified in section 16-946 and early contributions as specified in section 16-945, except in the emergency situation specified in section 16-954, subsection F.").

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred.

B. Exceeding the limit for expenditures paid with personal monies

Pursuant to A.R.S. §16-941(A)(2), a participating legislative candidate shall not make expenditures of more than a total of seven hundred and twenty dollars of the candidate's personal monies.

The auditors found that Respondent had made transfers from a separate bank account to the campaign bank account totaling \$1,869.33 and made additional deposits, whose purpose cannot be determined, into the campaign bank account in the amount of \$3,945.54. If Respondent only received \$2,000 from his qualifying contributions, early individual contributions, and small contributions combined, as reported on his campaign finance reports, then Respondent received \$3,814.87 in personal and family contributions. Respondent only reported receiving \$177 in personal and family contributions.

In his Response, Respondent states he contributed \$177 of his personal money to his campaign. However, Respondent failed to provide sufficient documentation for all campaign activity, as required by R2-20-104. Again, Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”). As such, the auditors and Commission staff are unable to determine if use of personal monies is within the limits. A.R.S. § 16-941(A)(2)(“[A] participating candidate. . . shall not make expenditures of more than a total of five hundred dollars of the candidate's personal monies for a candidate for the legislature or more than one thousand dollars for a candidate for statewide office.”).

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred.

C. Exceeding general election spending limit

Pursuant to A.R.S. §§16-941(A)(3) and -941(A)(4), a participating candidate shall not make expenditures exceeding the adjusted primary spending limit (\$16,044) and adjusted general spending limit (\$1,415).

The auditors found that Respondent made a total of \$3,677.16 in expenditures from the campaign bank account during the general election period (August 31, 2016 through November 8, 2016). Respondent's adjusted general election spending limit was \$1,415 since Respondent was not contested in the general election. Respondent made a total of \$2,262.16 in excess expenditures during the general election period.

In his Response, Respondent states that he “did not exceed the amount of the general election spending limit.” He also states that he did not receive general election funding because he was unopposed and learned that he was unopposed in late September. However, Respondent did receive general funding on August 31, 2016 (**Exhibit H**) but it was determined that Respondent would be unopposed in the general election; therefore, the next day on September 1, 2016, Respondent was notified by the Executive Director, through e-mail and overnight delivery, that he would need to return \$22,651 in general election funding and he could only retain the amount of the \$5 qualifying contributions (\$1,415) he submitted to the Secretary of State's Office (**Exhibit I**). Respondent acknowledged the notification the same day but did not return the general election funds until September 28, 2016.

Respondent also provides his campaign finance reports as evidence that he did not exceed the general election spending limit. However, the auditors found that Respondent's campaign finance reports do not accurately reflect the campaign finance activity in the Respondent's campaign bank account. Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”). The auditors found that \$2,829.61 in expenditures

from the campaign bank account during the general election period were not reported on Respondent's campaign finance reports.

The auditors requested supporting documentation for the expenditures but Respondent claimed to have been unable to "locate the box" containing the information. Every Clean Elections candidate has the burden of proving expenditures are made for direct campaign purposes, pursuant to A.A.C. R2-20-104(C). We are unable to determine whether expenditures were for direct campaign purposes and in compliance with the adjusted general spending limit. A.R.S. § 16-941(A)(4)("[A] participating candidate . . . [s]hall not make expenditures in the general election period in excess of the adjusted general election spending limit.").

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred.

D. Failure to return unused monies to the Commission after the primary and general elections and exceeding the primary election spending limit.

Pursuant to A.R.S. § 16-941(A)(5), participating candidates must comply with A.R.S. §16-953 stating that at the end of the primary and general elections participating candidates must return monies in the campaign account to the Commission.

The auditors found a transfer from the Respondent's campaign bank account to Respondent's personal account equaling \$604.42. Respondent made \$4,653.41 in non-campaign withdrawals from the campaign bank account. An additional \$3,635.41 was withdrawn and auditors were unable to provide a determinable purpose. Participating candidates must return Clean Elections funding that was not used for direct campaign purposes, as required by R2-20-704(B).

On October 18, 2016, the auditors contacted Respondent regarding a high ending balance on the Primary Recap Report (**Exhibit J**). At that time Respondent should have returned \$7,046.72 in unspent primary election funding based on the timely filing of his Primary Recap Report (**Exhibit K**). On November 1, 2016, Respondent filed amendments to his campaign finance reports. The new ending balance on the Amended Primary Recap Report was -\$2.44 (**Exhibit L**).

The auditors found that Respondent made \$17,501.51 in expenditures from the campaign bank account during the primary election period. Since Respondent could have only potentially deposited \$18,221 into the campaign bank account during the primary period (based upon primary election funding, early contributions, \$5 qualifying contributions, small contributions and personal contributions), Respondent should have returned to the Clean Elections Fund at least \$710.49. This does not take into account the expenditures that were made for personal use and should have also been returned to the fund. Moreover, absent evidence to support the expenditures during the primary, Respondent may have exceeded the primary spending limit he took on himself.

Respondent states that “according to the reports filed with the Arizona Secretary of State, there wasn’t [sic] any unused monies that were not returned to the Citizens Clean Elections Commission.” And that because his personal bank account and campaign account were linked, he “began to use the filing report with the Secretary of State as [his] accounting and balance.” However, Respondent amended his reports several months after the transactions had taken place so it is improbable that he was able to utilize the Secretary of State’s campaign finance reporting system to keep track of his campaign finance activity. Confirming this, Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”).

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred. A.R.S. § 16-941(A)(3) (“[A] [participating candidate. . . [s]hall not make expenditures in the primary election period in excess of the adjusted primary election spending limit.”); § 16-941(A)(5)([A] participating candidate. . . [s]hall comply with section . . . section 16-953 regarding returning unused monies to the citizens clean elections fund described in this article.”).

E. Failure to conduct campaign activity through a single bank account

Pursuant to A.R.S. § 16-941(A)(5), participating candidates must comply with A.R.S. § 16-948 stating that all financial campaign activity must be conducted through a single campaign account and a participating candidate shall not make any deposits into the campaign bank account other than early and qualifying contributions. A.R.S. § 16-948(C) and R2-20-114(A) require candidates who establish a petty cash account to adhere to an aggregate limit of \$1,420 and each expenditure may not exceed \$160. Participating candidates utilizing petty cash accounts must include additional, detailed information on their campaign finance reports, as required by A.A.C. R2-20-115.

On June 15, 2016, Respondent physically received his check for the primary election. Bank records show that \$16,044 was deposited into a personal bank account and \$13,280.22 was transferred from Respondent’s personal bank account to a campaign bank account on June 17, 2016. The difference of \$2,763.78 was not transferred to the campaign account. The auditors noted transfers from a separate bank account to the campaign account equaling \$1,869.33 and other deposits with undeterminable purposes equating to \$3,945.54. The deposits cannot be verified due to Respondent’s failure to provide supporting documentation.

Respondent neglected to establish a petty cash account and provide detailed information on campaign finance reports. The auditors found ATM withdrawals totaling \$683.50 that Respondent failed to document on his campaign finance reports. The withdrawals cannot be verified due to the lack of supporting documentation. Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”).

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred. A.R.S. § 16-941(A)(5) ([A] participating candidate . . . [s]hall comply with section 16-948 regarding campaign accounts. . . .”).

F. Failure to report expenditures and receipts

Pursuant to A.R.S. § 16-941, participating candidates shall comply with A.R.S. § 16-948 stating that candidates are required to report expenditures made directly from their campaign bank account, as required by A.R.S. § 16-948(C). Information to be provided on the campaign finance reports includes recipient’s full name, address, nature of good and services, and compensation. A.A.C. R2-20-703 requires candidates to report all receipts and disbursements from the campaign account similarly. In addition, A.A.C. R2-20-115 contends that participating candidates maintain books and records of financial transactions in a single location, and such records be accessible upon request.

The auditors found that Respondent failed to report an aggregate of \$9,209.72 in expenditures and \$4,852.55 in deposits on his campaign finance reports. It could not be determined if an additional \$1,362.32 was reported because of insufficient records.

Respondent states that out of confusion he “began to use the filing report with the Secretary of State as [his] accounting and balance.” As required by A.A.C. R2-20-110, participating candidates’ campaign finance reports are to include all receipts and disbursements for their current campaign account. However, Respondent does not “disput[e] the outcome of the audit.” Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 (“I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle.”); *accord* Response at 1 (“Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing.”). The comprehensive audit revealed several expenditures were made and not reported. Respondent made reference to his campaign finance reports submitted to the Secretary of State as proof against allegations of excess spending, but information in reports is recorded by the candidate and numerous expenditures and deposits were never documented by Respondent.

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred. A.R.S. § 16-942(B); Ariz. Admin. Code R2-20-109 (2016).

G. Failure to utilize Clean Elections funding for direct campaign expenditures

Pursuant to A.R.S. §16-941, participating candidates shall comply with A.R.S. §16-948 stating that Clean Elections funding must be utilized only for direct campaign expenditures. Additionally, A.A.C. R2-20-702(C) prohibits participating candidates from using funds within the candidate’s campaign account for personal use.

Auditors noted that Respondent transferred \$604.42 from his campaign bank account to Respondent’s personal account. Respondent made \$4,653.41 in non-campaign withdrawals from the campaign bank account. An additional \$3,635.41 was withdrawn and auditors were unable to provide a determinable purpose. Non-campaign withdrawals are exemplified by, but not limited

to, Respondent's expenditures for: airline fees, hotel fees in the states of Tennessee, California, and the District of Columbia, and AT&T bill payments.

However, Respondent failed to provide sufficient documentation for all campaign activity including possible direct campaign expenditures, as required by R2-20-104. . Respondent does not "disput[e] the outcome of the audit." Clean Elections Commission Meeting, 5/18/2017, Tr. 30:8-11 ("I do acknowledge and I am taking responsibility that there was poor accounting and practices during this campaign cycle."); *accord* Response at 1 ("Please acknowledge that I am not by any means challenging the results of the review, nor I am denying any wrong doing."). As such, the auditors and Commission staff are unable to determine if any of the expenditures were for direct campaign purposes as required by A.R.S. §§16-941 and -948, A.A.C. R2-20-104 and R2-20-702(C) .

For the reasons set forth above, I recommend the Commission find reason to believe a violation may have occurred. *See* A.R.S. § 16-941(A).

III. Investigation After Reason to Believe Finding

If the Commission determines by an affirmative vote of at least three (3) of its members that it has reason to believe a respondent has violated a statute or rule over which the Commission has jurisdiction, the Commission shall notify such respondent of the Commission's finding setting forth: (i) the sections of the statute or rule alleged to have been violated; (ii) the alleged factual basis supporting the finding; and (iii) an order requiring compliance within fourteen (14) days. During that period, the Respondent may provide any explanation to the Commission, comply with the order, or enter into a public administrative settlement with the Commission. A.R.S. § 16-957(A) & A.A.C. R2-20-208(A).

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. A.A.C. 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 further audits. I request that the Commission authorize such subpoenas now to allow the investigation to proceed in due course.

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. A.A.C. 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), including removal from office. A.A.C. R2-20-217. The Commission may order the repayment of funds expended in violation of A.A.C. R2-20-702. A.A.C. R2-20-704(B).

Dated this 19th day of June, 2017
Thomas M. Collins, Executive Director

EXHIBIT G

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of:

Jesus Rubalcava, Respondent

MUR No. 17-01

Repayment Order

Pursuant to its authority under ARS § 16-956(A)(7) "to ensure that money from the fund is placed in candidate campaign accounts or otherwise spent as specified in this article and not otherwise," and Ariz. Admin. Code §§ R2-20-702, R2-20-703 and R2-20-704, the Citizens Clean Elections Commission (the "Commission"), hereby orders Jesus Rubalcava ("Respondent"), a participating candidate for Legislature in 2016, to repay the amount of \$17,459. This order is effective upon approval of the Commission and is based on the following legal and factual reasons:

- A. Respondent received \$17,459 for his campaign in 2016, including \$16,044 for the primary election and an additional \$1,415 for the general election.
- B. Respondent was subject to a random audit that found he could not provide documentation for the transactions selected for audit. Exhibit 1, Random Audit Report.
- C. The Commission ordered a Comprehensive Audit and Review of all of Respondent's campaign finance activities in the 2016 election.
- D. Respondent provided no documentation of direct campaign expenditures to the auditors during the Comprehensive Audit and Review for the 2016 election. Exhibit 2, Comprehensive Audit and Review of 2016 Election Campaign Finances.

1 E. Respondent stated that "I accept the report on findings as a way to acknowledge and
2 learn from what was done incorrectly and how to do things the correct way. I am willing
3 to accept the consequences of my wrongdoing and ask that the commission allow me
4 to take corrective actions in order to comply; whether this be repaying back any
5 unaccounted monies and fees set forth by the commission." *Id.* Additionally,
6 Respondent told the Commission he did not "disput[e] the outcome of the audit." Clean
7 Elections Commission Meeting, 5/18/2017, Tr.30:8-11 ("I do acknowledge and I am
8 taking responsibility that there was poor accounting and practices during this campaign
9 cycle.").

10 F. The Commission found reason to believe a violation of §§ R2-20-702 and R2-20-703
11 may have occurred. Exhibit 3.

12 G. An Order of Compliance was served on Respondent, June 23, 2017. He has taken no
13 action in response.

14 H. Candidates bear the burden of showing that expenditures of Clean Elections Funding
15 are for direct campaign purposes. Ariz. Admin. Code §§ R2-20-702, R2-20-703.

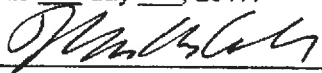
16 I. Respondent agreed to these conditions in his sworn application for certification. Exhibit
17 4.

18 J. Respondent has not met his burden because he has failed to provide to documentation
19 and because he admitted he will provide repayment as ordered.

20 WHEREFORE, the Commission enters the following orders in addition to any other action regarding
21 this matter:

- 22 1. The Commission has jurisdiction over Respondent pursuant to A.R.S. § 16-956(A)(7)
23 and the Arizona Administrative Code.
- 24 2. The Commission orders Respondent to repay \$17,459 within thirty (30) days or the
25 date of this order.
26

Dated this 22 day of August, 2017.

By: 
Thomas M. Collins, Executive Director
Citizens Clean Elections Commission

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EXHIBIT H

Thomas Collins

From: Thomas Collins
Sent: Wednesday, November 01, 2017 6:37 PM
To: Thomas Collins
Subject: FW: Subpoena time extension offer (time sensitive)
Attachments: Rubalcava Income Expense 1.pdf; Rubalcava Income Expense 2.pdf; Rubalcava Income Expense 3.pdf; Rubalcava PayPal.PDF; Rubalcava ASBA Travel Claim 1.pdf; Rubalcava ASBA Travel Claim 2.pdf; NSBA Travel Claim 1.pdf; NSBA Travel Claim 2.pdf; NSBA Travel Claim 3.pdf; NSBA Travel Claim 4.pdf

From: Jesus Rubalcava [<mailto:jesusarubalcava@gmail.com>]
Sent: Thursday, September 14, 2017 12:32 PM
To: Thomas Collins
Subject: Re: Subpoena time extension offer (time sensitive)

Please find the attachments for the following items. If there isn't anything for the item, it's because i was not able to locate it or because it doesn't exist (such as reimbursements for Gila Bend USD).

On Fri, Sep 1, 2017 at 12:07 PM, Thomas Collins <Thomas.Collins@azcleanelections.gov> wrote:
Mr. Rubalcava:

Pursuant to Ariz. Admin. Code R2-20-213(C), I am offering you a two (2) week extension from the deadline set in the subpoena to respond to the subpoena that has been issued to you.

That would extend the time to 4 pm on September 14, 2017.

This offer does not relieve you of your obligations and you remain subject to the subpoena.

If you accept this extension please notify me in writing by replying to this email no later than 5PM Tuesday, September 5, 2017. If you do not accept by that time, the offer to extend time will expire.

Sincerely,
Tom Collins
Executive Director
Arizona Citizens Clean Elections Commission
[602-364-3477](tel:602-364-3477)
thomas.collins@azcleanelections.gov

EXHIBIT I



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Amended 2016 June 30th Report

Election Cycle: 2015-2016
Date Filed: November 1, 2016
Reporting Period: January 1, 2016-May 31, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$127.00
Total Cash Receipts this Reporting Period:	\$1,935.00
Total Cash Disbursements this Reporting Period:	\$2,089.16
Cash Balance at End of Reporting Period:	(\$27.16)

Report ID: 163894

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$100.00
Individual Contributions	C2	\$520.00		\$520.00	\$525.00
Contributions from Political Committees	C3	\$0.00		\$0.00	\$0.00
Business Contributions	C4	\$0.00		\$0.00	\$0.00
Small Contributions	C5	\$0.00		\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00		\$0.00	\$0.00
Qualifying Contributions	C7	\$1,415.00		\$1,415.00	\$1,415.00
Loans Made to this Committee	L1	\$0.00		\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00		\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00		\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00		\$0.00	\$0.00
Total Income		\$1,935.00		\$0.00	\$2,100.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$2,089.16		\$2,089.16	\$2,197.09
Independent Expenditures	E2	\$0.00		\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00		\$0.00	\$0.00
Other Expenses	E4	\$0.00		\$0.00	\$0.00
Transfers to Other Committees	T1	\$0.00		\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00		\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00		\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00		\$0.00	\$0.00
Total Expenditures		\$2,089.16		\$0.00	\$2,197.09
Bill Payments for Previous Expenditures	D1	\$0.00		\$0.00	\$0.00
Total Cash Disbursed		\$2,089.16		\$0.00	\$2,197.09

Schedule C2 - Individual contributions

			Date	Amount	Cycle To Date
Name:	Bacon, Julia		02/22/2016	\$100.00 Cash	\$100.00
Address:	8098 E Theresa Dr, Scottsdale, AZ 85255				
Occupation:	Homemaker, Self				
Memo:	PayPal				
Name:	Navarrete, Otoniel		02/25/2016	\$100.00 Cash	\$100.00
Address:	PO Box 18611, Phoenix, AZ 85005				
Occupation:	Retired, None				
Memo:	PayPal				
Name:	Ogle, Kathe		02/25/2016	\$100.00 Cash	\$100.00
Address:	20418 N 98th Pl, Scottsdale, AZ 85255				
Occupation:	homemaker, Homemaker				
Name:	Alvarado, M L		03/04/2016	\$25.00 Cash	\$25.00
Address:	3834 W Ocotillo Rd, Phoenix, AZ 85019				
Occupation:	Retired, Retired				
Name:	Lucero, Joanna		03/17/2016	\$20.00 Cash	\$20.00
Address:	2301 N 40th Dr, Phoenix, AZ 85009				
Occupation:	Office Manager, Non-Profit				
Name:	Knecht, Kathy		03/20/2016	\$100.00 Cash	\$100.00
Address:	6727 W Corrine Dr, Peoria, AZ 85381				
Occupation:	student, studen				
Name:	Otondo, Lisa		05/11/2016	\$75.00 Cash	\$75.00
Address:	1037 S 8th Ave, Yuma, AZ 85364				
Occupation:	State Rep, State of AZ				
Total of Individual Contributions				\$520.00	
Total of Refunds Given				\$0.00	
Net Total of Individual Contributions				\$520.00	

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Sanchez, Teresa	01/01/2016	\$5.00 Cash	\$5.00
Gonzalez, Armida	01/04/2016	\$5.00 Cash	\$5.00
Fusco, Anthony D Jr.	01/12/2016	\$5.00 Cash	\$5.00
Harris, Louis W	01/12/2016	\$5.00 Cash	\$5.00
Peten, Geraldine	01/12/2016	\$5.00 Cash	\$5.00
Peters, Karen	01/12/2016	\$5.00 Cash	\$5.00
Stromberg, Ingrid S	01/12/2016	\$5.00 Cash	\$5.00
Weston Salsman, Mary	01/12/2016	\$5.00 Cash	\$5.00
Taylor, Patrick	01/13/2016	\$5.00 Cash	\$5.00
Nelson, Daniel	01/14/2016	\$5.00 Cash	\$5.00
Nelson, Theresa	01/14/2016	\$5.00 Cash	\$5.00
Orozco, Brandon	01/18/2016	\$5.00 Cash	\$5.00
Orozco, Jennifer	01/18/2016	\$5.00 Cash	\$5.00
Orozco, Kaylen	01/18/2016	\$5.00 Cash	\$5.00
Jennings, Edward Jr	01/29/2016	\$5.00 Cash	\$5.00
Jennings, Edward Sr	01/29/2016	\$5.00 Cash	\$5.00
Muse, LaGina	01/29/2016	\$5.00 Cash	\$5.00
Trexler, Marilyn	01/29/2016	\$5.00 Cash	\$5.00
Marquez, Ana L	01/30/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Amezcu, Abraham	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Amezcu, Edgar R	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Amezcu, Erika	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Bhakta, Natvarbhai M	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Birchfield, Glen	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Davis, Gina	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Davis, Laura	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Ortiz, Ruvi	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Poqui, Luz A	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Rodriguez, Manuela	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Smith, Elizabeth	02/01/2016	\$5.00 Cash	\$5.00
Name: Address:			
Conner, Marcia M	02/03/2016	\$5.00 Cash	\$5.00
Name: Address:			
Stanberry, Jody	02/03/2016	\$5.00 Cash	\$5.00
Name: Address:			
Carpenter, Earl	02/08/2016	\$5.00 Cash	\$5.00
Name: Address:			
Carpenter, Shirley	02/08/2016	\$5.00 Cash	\$5.00
Name: Address:			
Birchfield, Dayle G	02/09/2016	\$5.00 Cash	\$5.00
Name: Address:			
Nevarez, Pedro B	02/09/2016	\$5.00 Cash	\$5.00
Name: Address:			
Nevarez, Rosa I	02/09/2016	\$5.00 Cash	\$5.00
Name: Address:			
Raygoza, Gladis G	02/09/2016	\$5.00 Cash	\$5.00
Name: Address:			

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Sly, Agustina		02/10/2016	\$5.00 Cash	\$5.00
Stanberry, Justin		02/10/2016	\$5.00 Cash	\$5.00
Cavanaugh, Kelly		02/11/2016	\$5.00 Cash	\$5.00
Neal, James E		02/11/2016	\$5.00 Cash	\$5.00
Neal, Janie		02/11/2016	\$5.00 Cash	\$5.00
Amezcuca, Valerie		02/13/2016	\$5.00 Cash	\$5.00
Carpenter, Joanne		02/13/2016	\$5.00 Cash	\$5.00
Carpenter, Joshua		02/13/2016	\$5.00 Cash	\$5.00
Figueroa, Jose		02/13/2016	\$5.00 Cash	\$5.00
Gonzalez, Jose R		02/13/2016	\$5.00 Cash	\$5.00
Hecht, Christina		02/13/2016	\$5.00 Cash	\$5.00
Hipp, Mike		02/13/2016	\$5.00 Cash	\$5.00
Knutson, Elizabeth		02/13/2016	\$5.00 Cash	\$5.00
Lopez, Maria		02/13/2016	\$5.00 Cash	\$10.00
Loter, Tammy		02/13/2016	\$5.00 Cash	\$5.00
Osequeda, Cynthia		02/13/2016	\$5.00 Cash	\$5.00
Ruiz Melendrez, Fabiola		02/13/2016	\$5.00 Cash	\$5.00
Sanchez, Ericka		02/13/2016	\$5.00 Cash	\$5.00
Sanchez, Melissa		02/13/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Taylor, Wanda M		02/13/2016	\$5.00 Cash	\$5.00
Villegas, Felipe		02/13/2016	\$5.00 Cash	\$5.00
Villegas, Josefina		02/13/2016	\$5.00 Cash	\$5.00
Villegas, Victor		02/13/2016	\$5.00 Cash	\$5.00
Dupree, Mattie L		02/15/2016	\$5.00 Cash	\$5.00
Lanford, Terry		02/15/2016	\$5.00 Cash	\$5.00
Basaldua, Rudy		02/16/2016	\$5.00 Cash	\$5.00
Celaya, Angelo		02/16/2016	\$5.00 Cash	\$5.00
Cipriano, Willalee		02/16/2016	\$5.00 Cash	\$5.00
Dempsey, Diane		02/16/2016	\$5.00 Cash	\$5.00
Dempsey, Terry		02/16/2016	\$5.00 Cash	\$5.00
Diaz, Augustine		02/16/2016	\$5.00 Cash	\$5.00
Laborin, Albert		02/16/2016	\$5.00 Cash	\$5.00
Manuel, Mary		02/16/2016	\$5.00 Cash	\$5.00
Mattia, Wilbert		02/16/2016	\$5.00 Cash	\$5.00
Miguel, Claret		02/16/2016	\$5.00 Cash	\$5.00
Ortega, Ida		02/16/2016	\$5.00 Cash	\$5.00
Ortiz, Edith		02/16/2016	\$5.00 Cash	\$5.00
Osequeda, Ramona		02/16/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Rizo, Andrea	02/16/2016	\$5.00 Cash	\$5.00
Sandoval, Lina	02/16/2016	\$5.00 Cash	\$5.00
Sandoval, Martin	02/16/2016	\$5.00 Cash	\$5.00
Sandoval, Revi	02/16/2016	\$5.00 Cash	\$5.00
Estrella, Paula N	02/17/2016	\$5.00 Cash	\$5.00
Hopkins, Richard	02/17/2016	\$5.00 Cash	\$5.00
Manuel, Bonnie	02/17/2016	\$5.00 Cash	\$5.00
Moreno, Jamie	02/17/2016	\$5.00 Cash	\$5.00
Moreno, Lorraine	02/17/2016	\$5.00 Cash	\$5.00
Moreno, Rosanne	02/17/2016	\$5.00 Cash	\$5.00
Moreno, Rudy V	02/17/2016	\$5.00 Cash	\$5.00
Ortega, Raymond Jr	02/17/2016	\$5.00 Cash	\$5.00
Ortiz, Shiane	02/17/2016	\$5.00 Cash	\$5.00
Osequeda, Alvina	02/17/2016	\$5.00 Cash	\$5.00
Osequeda, Guadalupe	02/17/2016	\$5.00 Cash	\$5.00
Osequeda, Isidro	02/17/2016	\$5.00 Cash	\$5.00
Osequeda, Mary	02/17/2016	\$5.00 Cash	\$5.00
Pilone, Delberta	02/17/2016	\$5.00 Cash	\$5.00
Pilone, Sharee	02/17/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Ramirez, Eileen		02/17/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ramirez, Irene		02/17/2016	\$5.00 Cash	\$5.00
Name: Address:				
Salsman, Rick		02/17/2016	\$5.00 Cash	\$5.00
Name: Address:				
Turner, Kristin		02/17/2016	\$5.00 Cash	\$5.00
Name: Address:				
Allaman, Kristopher Lee		02/18/2016	\$5.00 Cash	\$5.00
Name: Address:				
Cipriano, Arlinda		02/18/2016	\$5.00 Cash	\$5.00
Name: Address:				
Cipriano, Linda		02/18/2016	\$5.00 Cash	\$5.00
Name: Address:				
Burbage, Gloria		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Burbage, Manning Edward		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Gonzalez, Maria		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Mendoza, Clarence		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Mendoza, Maria		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ramirez, Fernando		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Riggs, Christopher S		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Riggs, Patricia		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Sandoval, Bonnie		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Vasquez, Gilbert V		02/19/2016	\$5.00 Cash	\$5.00
Name: Address:				
Garcia, Irma Y		02/21/2016	\$5.00 Cash	\$5.00
Name: Address:				
Gomez, Maria		02/21/2016	\$5.00 Cash	\$5.00
Name: Address:				

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Miller, Daniel		02/21/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ramos, Maritza		02/22/2016	\$5.00 Cash	\$5.00
Name: Address:				
Aguirre, Theresa		02/25/2016	\$5.00 Cash	\$5.00
Name: Address:				
Flores, Roger M		02/25/2016	\$5.00 Cash	\$5.00
Name: Address:				
Baker, Lori		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Burkhardt, Lori		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Coronado, Graciela Y		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Gray, Andrea R		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Leon, Ana		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ochoa, Jose		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ochoa, Ruth C		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Quintero, Magda V		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Rodriguez, Maria S		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Sessums, Vivien		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Turner, Yovana		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Villegas, Petronilo		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Villegas, Sylvia		02/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Stout, Edward A		02/28/2016	\$5.00 Cash	\$5.00
Name: Address:				
Stout, Zachary A		02/28/2016	\$5.00 Cash	\$5.00
Name: Address:				

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Halcomb, Jennifer	02/29/2016	\$5.00 Cash	\$5.00
Lopez, Lizbet A	02/29/2016	\$5.00 Cash	\$5.00
Marquez, Robert	02/29/2016	\$5.00 Cash	\$5.00
Navarro, Hector	02/29/2016	\$5.00 Cash	\$5.00
Navarro, Viviana	02/29/2016	\$5.00 Cash	\$5.00
Rodriguez Villegas, Benito	02/29/2016	\$5.00 Cash	\$5.00
Stout, Rhonda M	02/29/2016	\$5.00 Cash	\$5.00
Barcenas, Nanci	03/01/2016	\$5.00 Cash	\$5.00
Artea, Sylvia	03/02/2016	\$5.00 Cash	\$5.00
Cieto, Araceli	03/02/2016	\$5.00 Cash	\$5.00
Gonzalez, Maria E	03/02/2016	\$5.00 Cash	\$5.00
Lopez, Darlene C	03/02/2016	\$5.00 Cash	\$5.00
Lopez, Jesus F	03/02/2016	\$5.00 Cash	\$5.00
Lopez, Maria	03/02/2016	\$5.00 Cash	\$10.00
Nieto, Ambrocio	03/02/2016	\$5.00 Cash	\$5.00
Perez, Felipe	03/02/2016	\$5.00 Cash	\$5.00
Perry, Peggy	03/02/2016	\$5.00 Cash	\$5.00
Ramirez, Adrian	03/02/2016	\$5.00 Cash	\$5.00
Rubalcava, Jesus	03/02/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Vasquez, Robert	03/02/2016	\$5.00 Cash	\$5.00
Araujo, Adrian	03/03/2016	\$5.00 Cash	\$5.00
Araujo, Manuel	03/03/2016	\$5.00 Cash	\$5.00
Hacker, Jaclyn	03/03/2016	\$5.00 Cash	\$5.00
Manuel, Gloria J	03/05/2016	\$5.00 Cash	\$5.00
Nevarez, Pedro F	03/12/2016	\$5.00 Cash	\$5.00
Contreras, Ruby D	03/13/2016	\$5.00 Cash	\$5.00
Cervantes, Irma	03/23/2016	\$5.00 Cash	\$5.00
Constantino, Refugio	03/23/2016	\$5.00 Cash	\$5.00
Narramore, Shelly	03/29/2016	\$5.00 Cash	\$5.00
romero, maria	03/31/2016	\$5.00 Cash	\$5.00
Sowers, Lynn E	04/01/2016	\$5.00 Cash	\$5.00
Garcia, Irma	04/03/2016	\$5.00 Cash	\$5.00
Gonzalez, Ignacio	04/05/2016	\$5.00 Cash	\$5.00
VILLEGAS, SUMMER DONTAE	04/05/2016	\$5.00 Cash	\$5.00
Ramirez, Leticia	04/16/2016	\$5.00 Cash	\$5.00
Baldenegro, Jesus	04/19/2016	\$5.00 Cash	\$5.00
Baldenegro, Rosantina	04/19/2016	\$5.00 Cash	\$5.00
Garcia, Marcia	04/26/2016	\$5.00 Cash	\$5.00

111

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Gonzalez, Joshua		04/26/2016	\$5.00 Cash	\$5.00
Name: Address:				
Carlos, Isaac		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Celaya, Lillian V		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Cipriano, Dennis		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Cipriano, Linda S		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Coletta, Elizabeth		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Gonzalez Neblina, Melanie		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Leon, Miguel		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Manuel, Randall		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Miranda, Clarissa		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Neblina, Bessie		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Neblina, Cyrus P		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Osequeda, Sadina		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Ramirez, Leo		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Randall, Charlotte		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Reyna Gomez, Kathleen M		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Sizemore, Donna S		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Sizemore, Tim L		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				
Valenzuela, Nina N		04/27/2016	\$5.00 Cash	\$5.00
Name: Address:				

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Venegas, Frances E	04/27/2016	\$5.00 Cash	\$5.00
Birchfield, Darcy	04/28/2016	\$5.00 Cash	\$5.00
Dominguez, Kitty	04/28/2016	\$5.00 Cash	\$5.00
Kreeger, Clyde	04/28/2016	\$5.00 Cash	\$5.00
McAnelly, Ruby	04/28/2016	\$5.00 Cash	\$5.00
Ortiz, Juanayssa AB	04/28/2016	\$5.00 Cash	\$5.00
Perez, Imelda	04/28/2016	\$5.00 Cash	\$5.00
Garcia, Ethel	04/29/2016	\$5.00 Cash	\$5.00
Gonzalez, Evangelina	04/29/2016	\$5.00 Cash	\$5.00
Marquez, Luis	04/29/2016	\$5.00 Cash	\$5.00
Sanchez, Miguel	04/29/2016	\$5.00 Cash	\$5.00
Williams, Walter John	04/29/2016	\$5.00 Cash	\$5.00
Getzwiler, Joe	04/30/2016	\$5.00 Cash	\$5.00
Getzwiler, Theresa	04/30/2016	\$5.00 Cash	\$5.00
Rodriguez, Enrique E	05/01/2016	\$5.00 Cash	\$5.00
Ballesteros, Linda P	05/02/2016	\$5.00 Cash	\$5.00
Birchfield, David	05/02/2016	\$5.00 Cash	\$5.00
Cadavas, Isaac	05/02/2016	\$5.00 Cash	\$5.00
Celaya, Daniel	05/02/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Laborin, Leticia	05/02/2016	\$5.00 Cash	\$5.00
Miranda, Breanna D	05/02/2016	\$5.00 Cash	\$5.00
Miranda, Josie	05/02/2016	\$5.00 Cash	\$5.00
Montana, Jana	05/02/2016	\$5.00 Cash	\$5.00
Osequeda, Theresa	05/02/2016	\$5.00 Cash	\$5.00
Preston, Daniel III	05/02/2016	\$5.00 Cash	\$5.00
Smith, Vernon J	05/02/2016	\$5.00 Cash	\$5.00
Wurzaof, Betty L	05/02/2016	\$5.00 Cash	\$5.00
Anahill, Pamela	05/04/2016	\$5.00 Cash	\$5.00
Guerrero, Lorenia	05/04/2016	\$5.00 Cash	\$5.00
Lewis, Loretta	05/04/2016	\$5.00 Cash	\$5.00
Manuel, Diana F	05/04/2016	\$5.00 Cash	\$5.00
Wakeham, Jomarie	05/04/2016	\$5.00 Cash	\$5.00
Manuel, Grace	05/05/2016	\$5.00 Cash	\$5.00
Morgan, Monica K	05/05/2016	\$5.00 Cash	\$5.00
Hernandez, Serena	05/06/2016	\$5.00 Cash	\$5.00
Espinoza Ruiz, Ray	05/07/2016	\$5.00 Cash	\$5.00
Fernandez, Linsey	05/07/2016	\$5.00 Cash	\$5.00
Maxey, JoAnn	05/07/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:		Date	Amount	Cycle To Date
Mendoza, Melissa		05/07/2016	\$5.00 Cash	\$5.00
Turner, Joshua		05/07/2016	\$5.00 Cash	\$5.00
Gills, Betty		05/08/2016	\$5.00 Cash	\$5.00
Birchfield, Yolanda		05/09/2016	\$5.00 Cash	\$5.00
Rodriguez, Sofia		05/09/2016	\$5.00 Cash	\$5.00
Taylor, Stephanie		05/09/2016	\$5.00 Cash	\$5.00
Baldridge, Lynelle		05/10/2016	\$5.00 Cash	\$5.00
Esquivel, Fidel		05/10/2016	\$5.00 Cash	\$5.00
Fernandez, Fernando Jr		05/10/2016	\$5.00 Cash	\$5.00
Fuentes, Brenda		05/10/2016	\$5.00 Cash	\$5.00
Henry, Dianne G		05/10/2016	\$5.00 Cash	\$5.00
Henry, Ron		05/10/2016	\$5.00 Cash	\$5.00
Hipp, Marshall		05/10/2016	\$5.00 Cash	\$5.00
Lopez, Annabelle M		05/10/2016	\$5.00 Cash	\$5.00
Lopez, Dusty Ray		05/10/2016	\$5.00 Cash	\$5.00
Papworth, Jennifer		05/10/2016	\$5.00 Cash	\$5.00
Rios, James		05/10/2016	\$5.00 Cash	\$5.00
Rios, Valerie J		05/10/2016	\$5.00 Cash	\$5.00
Sikes, Tommy Lee		05/10/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Tavernaro, Lois M	05/10/2016	\$5.00 Cash	\$5.00
Turner, James	05/10/2016	\$5.00 Cash	\$5.00
Turner, Lewis C	05/10/2016	\$5.00 Cash	\$5.00
Espinoza, Delilah	05/11/2016	\$5.00 Cash	\$5.00
Farmer, Mollie	05/11/2016	\$5.00 Cash	\$5.00
Mendez, Loretta L	05/11/2016	\$5.00 Cash	\$5.00
Pablo, Anna	05/11/2016	\$5.00 Cash	\$5.00
Rodriguez, Guillermo	05/11/2016	\$5.00 Cash	\$5.00
Gonzalez, Beatriz	05/12/2016	\$5.00 Cash	\$5.00
Hipp, Diana	05/12/2016	\$5.00 Cash	\$5.00
Hoffman, Herman Jr	05/12/2016	\$5.00 Cash	\$5.00
Navarro, Maritza I	05/12/2016	\$5.00 Cash	\$5.00
Young, Victoria E	05/12/2016	\$5.00 Cash	\$5.00
Aldama, Emmanuel	05/13/2016	\$5.00 Cash	\$5.00
Alvarez, Miguel	05/13/2016	\$5.00 Cash	\$5.00
Campa, Joaquin A	05/13/2016	\$5.00 Cash	\$5.00
Cunel, Ramses	05/13/2016	\$5.00 Cash	\$5.00
Galvan, Aurelio	05/13/2016	\$5.00 Cash	\$5.00
Hernandez, Kimberly Shanell	05/13/2016	\$5.00 Cash	\$5.00

Schedule C7 - Qualifying contributions

Name: Address:	Date	Amount	Cycle To Date
Ibarra, Jose	05/13/2016	\$5.00 Cash	\$5.00
Name: Address:			
Ramirez, Alejandro	05/13/2016	\$5.00 Cash	\$5.00
Name: Address:			
SANTANA, MARCO	05/13/2016	\$5.00 Cash	\$5.00
Name: Address:			
Turner, James Jr	05/13/2016	\$5.00 Cash	\$5.00
Name: Address:			
Velasco, Clarissa	05/13/2016	\$5.00 Cash	\$5.00
Name: Address:			
Basaldua, Dora	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Garcia, Abby	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Garduno, Hector	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Miller, Damian	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Ortiz, Tara	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Ruiz, Cecilia E	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Serratos, Sabrina	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Turner, Beverly	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Turner, John	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Turner, Stephany	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Villegas, Alfred	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Walls, Leah Ruth	05/14/2016	\$5.00 Cash	\$5.00
Name: Address:			
Total of Clean Elections Qualifying Contributions		\$1,415.00	
Total of Refunds Given		\$0.00	
Net Total of Qualifying Contributions		\$1,415.00	

Schedule E1 - Operating expenses

		Date	Amount	Cycle To Date
Name:	Pride Travel Center	01/11/2016	\$19.10 Cash	\$19.10
Address:	5240 S Sunland Gin Rd, Eloy, AZ 85131			
Category:	Travel - Fuel			
Name:	Frys Food & Drug	01/25/2016	\$51.12 Cash	\$51.12
Address:	11203 S Interstate 8 Frontage Rd, Yuma, AZ 85367			
Category:	Travel - Fuel			
Memo:	51.12			
Name:	Shindigz	01/25/2016	\$104.94 Cash	\$104.94
Address:	One Party Place, South Whitley, IN 46787			
Category:	Event Expenses - Decorations/supplies			
Memo:	Parade/Float Supplies			
Name:	Sam's Club	01/29/2016	\$23.26 Cash	\$43.26
Address:	1459 N Dysart Rd, Avondale, AZ 85323			
Category:	Event Expenses - Other			
Memo:	Candy for parade			
Name:	Chevron/Shay Oil Company	02/08/2016	\$10.00 Cash	\$10.00
Address:	51 E 10th St, Yuma, AZ 85364			
Category:	Travel - Fuel			
Name:	One N Ten	02/08/2016	\$200.00 Cash	\$200.00
Address:	2700 N 3rd St, Ste 2011, Phoenix, AZ 85004			
Category:	Event Expenses - Other			
Memo:	Campaign Event Sponsor			
Name:	Southern Advertising & Sign Service	02/12/2016	\$200.00 Cash	\$200.00
Address:	90 W 28th St, Chattanooga, TN 37408			
Category:	Communications - Production cost			
Memo:	Graphic Design Work			
Name:	Little Italy Pizza	02/16/2016	\$45.00 Cash	\$45.00
Address:	502 E Pima, Gila Bend, AZ 85337			
Category:	Travel - Meals			
Memo:	Meals for canvassers			
Name:	VISTAPRINT	02/16/2016	\$35.79 Cash	\$35.79
Address:	100 Hayden Ave., Lexington, MA 02421			
Category:	Communications - Other			
Memo:	Business Cards			
Name:	BK Carne Asada & Hot Dogs	02/17/2016	\$39.99 Cash	\$39.99
Address:	5118 S 12th Ave, Tucson, AZ 85706			
Category:	Travel - Meals			
Memo:	Meals for canvassers			

Schedule E1 - Operating expenses

		Date	Amount	Cycle To Date
Name:	Queensboro Shirts Co	02/29/2016	\$80.35	\$80.35
Address:	1400 Marstellar St, Wilmington, NC 28401		Cash	
Category:	Communications - Other			
Memo:	Polo Shirts			
Name:	Ventura, Ariana	02/29/2016	\$70.00	\$330.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Ventura, Maria Guadalupe	02/29/2016	\$70.00	\$415.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Direct Checks Unlimited	03/02/2016	\$31.90	\$31.90
Address:	PO Box 19000, Colorado Springs, CO 80935		Cash	
Category:	Miscellaneous - Other			
Memo:	Campaign Checkbooks			
Name:	Krispy Kreme	03/15/2016	\$9.78	\$9.78
Address:	1495 N Dysart Rd, Avondale, AZ 85323		Cash	
Category:	Travel - Meals			
Memo:	Canvassers breakfast			
Name:	Ventura, Maria Guadalupe	03/17/2016	\$65.00	\$415.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	YUMA CHEVRON	03/30/2016	\$12.93	\$12.93
Address:	100 S 4th Ave, Yuma, AZ 85364		Cash	
Category:	Travel - Fuel			
Name:	Delgado, Wenceslao Delgado	03/31/2016	\$160.00	\$160.00
Address:	8619 W Papago St, Tolleson, AZ 85353		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Ventura, Ariana	04/01/2016	\$160.00	\$330.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petitions/Canvass			
Name:	Yuma Democratic Party	04/06/2016	\$100.00	\$100.00
Address:	290 S 1st Ave, Ste 1, Yuma, AZ 85364		Cash	
Category:	Event Expenses - Other			
Memo:	Table fee for Yuma Co Fair			

Schedule E1 - Operating expenses

		Date	Amount	Cycle To Date
Name:	Ventura, Ariana	04/13/2016	\$100.00	\$330.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Amezcu, Abraham	04/15/2016	\$100.00	\$100.00
Address:	810 W Margaret St., Gila Bend, AZ 85337		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Amezcu, Valerie	04/15/2016	\$100.00	\$100.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petition Circulators			
Name:	Ventura, Maria Guadalupe	04/18/2016	\$100.00	\$415.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Other			
Memo:	Canvass			
Name:	Ventura, Maria Guadalupe	05/11/2016	\$180.00	\$415.00
Address:	3046 W Pierce St, Phoenix, AZ 85009		Cash	
Category:	Miscellaneous - Petitions			
Memo:	Petitions/Canvass			
Name:	Sam's Club	05/23/2016	\$20.00	\$43.26
Address:	1459 N Dysart Rd, Avondale, AZ 85323		Cash	
Category:	Travel - Fuel			
Total of Operating Expenses			\$2,089.16	
Total of Refunds, Rebates, and Credits Received			\$0.00	
Net Total of Operating Expenses			\$2,089.16	

Schedule D1 - Committee Debt

Item	Date	Amount
Outstanding Debt Balance at Beginning of Period	12/22/2015	\$7.76
Original Amount of Debt: \$7.76		
Original Transaction Date: 12/22/2015		
Debt Balance at End of Reporting Period		\$7.76
Outstanding Debt Balance at Beginning of Period	12/08/2015	\$13.17
Original Amount of Debt: \$13.17		
Original Transaction Date: 12/08/2015		
Debt Balance at End of Reporting Period		\$13.17
Outstanding Debt Balance at Beginning of Period	12/11/2015	\$49.00
Original Amount of Debt: \$49.00		
Original Transaction Date: 12/11/2015		
Debt Balance at End of Reporting Period		\$49.00
Total of Outstanding Debt Before Adjustments		\$69.93
Total Credits Against Outstanding Bills		\$0.00
Total Payments On Outstanding Bills		\$0.00
Total of Outstanding Debt After Adjustments		\$69.93

EXHIBIT J



Campaign Finance Report

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Rubalcava for House
Committee #: 201600368

NO ACTIVITY THIS PERIOD

Amended 2016 Qualifying Period Recap Report

Election Cycle: 2015-2016
Date Filed: August 29, 2016
Reporting Period: August 19, 2016-August 23, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$2,747.56
Total Cash Receipts this Reporting Period:	\$0.00
Total Cash Disbursements this Reporting Period:	\$0.00
Cash Balance at End of Reporting Period:	\$2,747.56

Report ID: 163939

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$177.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$16,044.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$0.00	\$0.00	\$0.00	\$16,806.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$0.00	\$0.00	\$0.00	\$4,497.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$0.00	\$0.00	\$0.00	\$9,631.28
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$0.00	\$0.00	\$0.00	\$14,128.37
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$0.00	\$0.00	\$0.00	\$0.00

Schedule D1 - Committee Debt

Item	Date	Amount
Outstanding Debt Balance at Beginning of Period	12/22/2015	\$7.76
Original Amount of Debt: \$7.76		
Original Transaction Date: 12/22/2015		
Debt Balance at End of Reporting Period		\$7.76
Outstanding Debt Balance at Beginning of Period	12/08/2015	\$13.17
Original Amount of Debt: \$13.17		
Original Transaction Date: 12/08/2015		
Debt Balance at End of Reporting Period		\$13.17
Outstanding Debt Balance at Beginning of Period	12/11/2015	\$49.00
Original Amount of Debt: \$49.00		
Original Transaction Date: 12/11/2015		
Debt Balance at End of Reporting Period		\$49.00
Total of Outstanding Debt Before Adjustments		\$69.93
Total Credits Against Outstanding Bills		\$0.00
Total Payments On Outstanding Bills		\$0.00
Total of Outstanding Debt After Adjustments		\$69.93

EXHIBIT K

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THE STATE OF ARIZONA

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CITIZENS CLEAN ELECTIONS COMMISSION

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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Phoenix, Arizona

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May 18, 2017

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9:31 a.m.

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602-258-1440 staff@coashandcoash.com

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By: Colette E. Ross, CR

25

Certified Reporter

Certificate No. 50658

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10:10:08-10:11:33 Page 30	10:12:44-10:13:54 Page 32
<p>1 know, that I have been working with the audit firm since</p> <p>2 the primary audit with Jill Foley. And we have had plenty</p> <p>3 of communication back and forth.</p> <p>4 I did have a chance to review the final audit.</p> <p>5 I didn't know whether I would be able to address the</p> <p>6 Commission so I went ahead and wrote up a brief statement</p> <p>7 of summary of what happened. As I mentioned in that</p> <p>8 statement, there is -- <u>I am not disputing the outcome of</u></p> <p>9 <u>the audit. And I do acknowledge and I am taking</u></p> <p>10 <u>responsibility that there was poor accounting and</u></p> <p>11 <u>practices during this campaign cycle.</u> And there is, you</p> <p>12 know, reasons that I explained in my response there as to</p> <p>13 why one thing led to the next.</p> <p>14 And so, you know, basically I wanted to make</p> <p>15 myself available for you, you know, should you have any</p> <p>16 questions.</p> <p>17 I do understand now. I am learning the process</p> <p>18 as we go along as well. I had never gone through anything</p> <p>19 like this. And so I, you know, I just want to make myself</p> <p>20 available should you have any questions, understanding now</p> <p>21 that this is basically an approval of acknowledgment that</p> <p>22 the audit has been completed. I thought there would be</p> <p>23 other action taking place today.</p> <p>24 CHAIRMAN TITLA: Any questions, Commissioners?</p> <p>25 COMMISSIONER CHAN: Mr. Chairman.</p>	<p>1 Rubalcava.</p> <p>2 Okay. We will go to the next item, discussion</p> <p>3 of possible action on a five-year review report submitted</p> <p>4 to Governor's Regulatory Review Council and related</p> <p>5 matters.</p> <p>6 Director Collins.</p> <p>7 MR. COLLINS: Yes, Mr. Chairman. And I think</p> <p>8 this can be brief. This is really just we are asking you</p> <p>9 to approve the draft letter and draft report.</p> <p>10 As you recall, at the, I don't know, two or</p> <p>11 three, two GRRC meetings ago, I guess, the council</p> <p>12 accepted in part and returned in part our five-year</p> <p>13 report. This addresses the provisions that were returned</p> <p>14 and also provides a cover letter explaining how we</p> <p>15 believe -- you know, GRRC's counsel, Chris KJeminich, has</p> <p>16 suggested that there is a substantial compliance standard</p> <p>17 that might be applied. So we made an effort there in the</p> <p>18 cover letter to articulate why putting aside our, you</p> <p>19 know, reserving our procedural and substantive objections</p> <p>20 to the actions that the council has taken, that</p> <p>21 nevertheless the Commission has substantially complied</p> <p>22 with what the council has asked for.</p> <p>23 So we are simply asking that you, well, we are</p> <p>24 asking you to approve the letter and the report to be</p> <p>25 submitted after this meeting, probably tomorrow. If --</p>
10:11:45-10:12:31 Page 31	10:14:12-10:14:55 Page 33
<p>1 CHAIRMAN TITLA: Commissioner Chan.</p> <p>2 COMMISSIONER CHAN: If Representative Rubalcava</p> <p>3 doesn't dispute the audit, and the other Commissioners</p> <p>4 don't have any questions, I would be comfortable, you</p> <p>5 know, moving to accept the audit as it has been presented</p> <p>6 to us today.</p> <p>7 CHAIRMAN TITLA: Okay. There is a motion by</p> <p>8 Commissioner Chan to accept the audit. Is there a second?</p> <p>9 COMMISSIONER KIMBLE: I second it.</p> <p>10 CHAIRMAN TITLA: Second by Commissioner Kimble.</p> <p>11 All in favor say aye.</p> <p>12 (A chorus of ayes.)</p> <p>13 CHAIRMAN TITLA: Opposed.</p> <p>14 (No response.)</p> <p>15 CHAIRMAN TITLA: Abstained.</p> <p>16 (No response.)</p> <p>17 CHAIRMAN TITLA: Okay. The audit is accepted.</p> <p>18 MR. COLLINS: And, Mr. Rubalcava, we will be in</p> <p>19 touch with you with a final copy of this and any other</p> <p>20 correspondence from us here in the next bit.</p> <p>21 REPRESENTATIVE RUBALCAVA: Okay.</p> <p>22 MR. COLLINS: So you are free to go.</p> <p>23 REPRESENTATIVE RUBALCAVA: I appreciate it.</p> <p>24 Thank you, Chairman. Thank you, Commissioners.</p> <p>25 CHAIRMAN TITLA: Okay, thank you, Representative</p>	<p>1 you know, either way we are going to submit something. It</p> <p>2 would be better to have you approve it, but if you don't</p> <p>3 approve it, this is what we are submitting.</p> <p>4 CHAIRMAN TITLA: Commissioners, any questions?</p> <p>5 MR. COLLINS: Unless, well, unless you object,</p> <p>6 unless you object. I mean absent an objection, this is</p> <p>7 what we plan to submit, I guess would be a better way of</p> <p>8 putting that.</p> <p>9 CHAIRMAN TITLA: Okay. Any questions for the</p> <p>10 director?</p> <p>11 COMMISSIONER PATON: No questions.</p> <p>12 CHAIRMAN TITLA: Okay. He is asking us to</p> <p>13 approve the letter as submitted in our documentation.</p> <p>14 MR. COLLINS: That's correct. That's correct.</p> <p>15 That's correct, Chairman Titla.</p> <p>16 COMMISSIONER KIMBLE: Mr. Chairman.</p> <p>17 CHAIRMAN TITLA: Commissioner Kimble.</p> <p>18 COMMISSIONER KIMBLE: I move we approve the</p> <p>19 response to the Governor's Regulatory Review Council.</p> <p>20 COMMISSIONER PATON: Okay.</p> <p>21 CHAIRMAN TITLA: Okay. There is a motion by</p> <p>22 Commissioner Kimble to approve the letter and report as</p> <p>23 submitted in our documentation by the Director Collins.</p> <p>24 Is there a second?</p> <p>25 COMMISSIONER CHAN: I will second that,</p>

EXHIBIT L

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Mitchell C. Laird
Chair

Thomas J. Koester
Steve M. Titla
Damien R. Meyer
Mark S. Kimble
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

MEMORANDUM

To: Paula Thomas, Executive Officer
Thru: Thomas M. Collins, Executive Director *TK*
From: Sara A. Larsen, Financial Affairs & Compliance Officer
Date: August 26, 2016
Subject: Disbursement of 2016 *General* Primary Election Funds *sat*

In accordance with A.A.C. R2-20-106, the Commission has determined that the candidate referenced below is not contested in the primary election and is advancing to the general election. Therefore, the candidate is qualified to receive general election funding in the amount of \$24,066.00. ✓

Candidate Name: Jesus A. Rubalcava ✓
Office Sought: State Representative, Legislative District 4
Vendor Number: 26006848070 ✓

I certify that this expenditure/transaction is for a valid public purpose and is consistent with all applicable statutes, laws, appropriations, grants, and contracts. I also certify that sufficient appropriation and monies are available for this expenditure/transaction, and that I am authorized to disburse these monies.

*General
Funding*

Signature: *[Signature]* Date: *8/29/16*
1900 6891

X *[Signature]*

Funding Received By

8/31/16
Date

STATE OF ARIZONA REMITTANCE ADVICE

WARRANT NO.
217860966

AGY: ECA

AGENCY CONTACT: PAULA THOMAS

602-364-3477

INVOICE NO.	INVOICE DT.	INVOICE DESCRIPTION	DOCUMENT/LINE NO.	INVOICE AMT.	DISCOUNT AMT.	NET AMT.
		2016 GENERAL ELECTION	GAX, ECA, 2EC17066 / 1	\$24,066.00	\$0.00	\$24,066.00

IF REMITTANCE ADVICE ABOVE IS BLANK, SEE [HTTP://WWW.VENPAY.GAO.AZDOA.GOV/](http://WWW.VENPAY.GAO.AZDOA.GOV/) FOR FURTHER DETAILS.EVER WONDER WHERE YOUR PAYMENT FROM THE STATE IS? OR, WHICH
STATE AGENCY PAID YOU THROUGH DIRECT DEPOSIT/ACH? VISIT OUR
VENDOR PAYMENT WEBSITE, [HTTP://WWW.VENPAY.GAO.AZDOA.GOV/](http://WWW.VENPAY.GAO.AZDOA.GOV/).

VENDOR NAME: Jesus Armando Rubalcava

ISSUE DATE:

WARRANT AMOUNT:

VENDOR ID: VC0000032595

08/29/2016

\$24,066.00

FOLD OR SEPARATE AT COLORED LINE BELOW

STATE OF ARIZONA

NOT GOOD AFTER
VOID DATE SHOWN91-113
1221

DATE ISSUED
MO-DAY-YR
08/29/2016

VOID AFTER
MO-DAY-YR
02/25/2017

BANK
21WARRANT NO.
7860966DEPARTMENT
ECADOCUMENT ID
170000100663

PAY THIS AMOUNT

\$24,066.00

*****TWENTY FOUR THOUSAND SIXTY SIX AND 00/100 DOLLARS*****

PAY TO THE ORDER OF

Jesus Armando Rubalcava
PO Box 863
Gila Bend AZ 85337Ray C. Brown
DEPARTMENT OF ADMINISTRATIONDouglas A. Duany
COUNTERSIGNED GOVERNOR

PAYABLE THRU STATE SERVICING BANK OF STATE TREASURER OF ARIZONA

⑈7860966⑈ ⑆122101133⑆ 000000000021⑈

EXHIBIT M

Sara Larsen

From: Thomas Collins
Sent: Thursday, September 01, 2016 2:57 PM
To: jesusarubalcava@gmail.com
Cc: Sara Larsen; Karlson, Kara (Kara.Karlson@azag.gov)
Subject: Letter Regarding Excess Funds Distributed by CEC
Attachments: Rubalcava Return Of Funds Letter.pdf

Mr. Rubalcava,

Please find the attached letter indicating that an excess amount of funding was made available to you for your general election campaign.

Please review the letter and feel free to contact us with questions. We are also delivering the letter by overnight mail.

Sincerely,

Tom Collins
Executive Director
Arizona Citizens Clean Elections Commission
602-364-3477

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Mitchell C. Laird
Chair

Steve M. Titla
Damien R. Meyer
Mark S. Kimble
Galen D. Paton
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

Jesus Rubalcava
806 W Margaret St.
Gila Bend AZ 85337
jesusrubalcava@gmail.com

Via Overnight Delivery and E-Mail

Dear Mr. Rubalcava:

I am writing to follow up on the Commission's phone call this week related to whether you are opposed in your general election campaign. At this time, because the Commission cannot determine that there is a candidate that has qualified for the ballot pursuant to A.R.S. §§ 16-301, -341, or -343. See A.R.S. §§ 16-951(D), -961(F)(1), (2). Because of this the amount you received is in excess of the amount to which you are entitled under the Act. See Ariz. Admin. Code R2-20-704(B)(1). Accordingly, please return \$22,651 in a check payable to the Clean Elections Fund as soon as possible but no later than 30 days from September 1, 2016. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Collins".

Thomas M. Collins
Executive Director
Arizona Citizens Clean Elections Commission

cc: Kara Karlson, Assistant Attorney General, Arizona Attorney General's Office (E-Mail only)
Sara Larsen, Financial Affairs & Compliance Officer, CCEC (E-Mail only)

Sara Larsen

From: Thomas Collins
Sent: Thursday, September 01, 2016 3:16 PM
To: Jesus Rubalcava
Cc: Sara Larsen
Subject: RE: Letter Regarding Excess Funds Distributed by CEC

Mr. Rubalcava,
Thank you for your prompt reply.
You have thirty days *from today*, September 1. So it is not due today.
Thank you,
Tom

From: Jesus Rubalcava [<mailto:jesusarubalcava@gmail.com>]
Sent: Thursday, September 01, 2016 3:11 PM
To: Thomas Collins
Subject: Re: Letter Regarding Excess Funds Distributed by CEC

Thank you Mr. Collins for clarifying. I have a meeting this evening and do not have my campaign checkbook with me. The letter states I need to submit a check no later than today. I can't make it in to CEC today. Please advise.

Jesus Rubalcava

On Sep 1, 2016, at 2:56 PM, Thomas Collins <Thomas.Collins@azcleaselections.gov> wrote:

Mr. Rubalcava,

Please find the attached letter indicating that an excess amount of funding was made available to you for your general election campaign.
Please review the letter and feel free to contact us with questions. We are also delivering the letter by overnight mail.

Sincerely,

Tom Collins
Executive Director
Arizona Citizens Clean Elections Commission
602-364-3477

<Rubalcava Return Of Funds Letter.pdf>

EXHIBIT N

Sara Larsen

From: Jill Foley <jfoley@f-cpc.com>
Sent: Tuesday, October 18, 2016 4:14 PM
To: Jesus Rubalcava
Cc: Sara Larsen
Subject: Primary Recap Report Balance

Importance: High

Dear Mr. Rubalcava,

I noted that your Campaign's Primary Recap Report had an ending cash balance of \$7,046.72. Generally we expect to see the Recap Reports have \$0 balances, or if there are remaining balances, the amount remaining is paid back to the Citizens Clean Elections Commission, because this is unused Primary Election funding. I did not see that you balance amount was paid back to the Commission in your Post-Primary report.

Can you please provide some insight on this?

Thank you,

Jill

Jill T. Foley, CPA
Fester & Chapman P.C.
4001 N. 3rd Street, Suite 275
Phoenix, AZ 85012
602-264-3077, ext. 215 (phone)
602-265-6241 (Fax)
jfoley@f-cpc.com

This communication and any accompanying documents are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon this communication is strictly prohibited. Moreover, any such disclosure shall not compromise or waive the attorney-client, accountant-client, or other privileges as to this communication or otherwise. If you have received this communication in error, please contact me at the above email address. Thank you.

Fester & Chapman.

EXHIBIT O



Campaign Finance Report

Rubalcava for House
Committee #: 201600368

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

2016 Primary Recap Report

Election Cycle: 2015-2016
Date Filed: September 4, 2016
Reporting Period: August 24, 2016-August 30, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$9,796.72
Total Cash Receipts this Reporting Period:	\$0.00
Total Cash Disbursements this Reporting Period:	\$2,750.00
Cash Balance at End of Reporting Period:	\$7,046.72

Report ID: 159043

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$100.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$16,044.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$0.00	\$0.00	\$0.00	\$16,729.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$0.00	\$0.00	\$0.00	\$0.00
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$2,750.00	\$0.00	\$2,750.00	\$9,682.28
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$2,750.00	\$0.00	\$2,750.00	\$9,682.28
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$2,750.00	\$0.00	\$2,750.00	\$0.00

Schedule E4 - Other expenses

		Date	Amount	Cycle To Date
Name:	Amezcu, Abraham	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezcu, Edgar	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezcu, Erika	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezcu, Valerie	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Gonzalez, Gloria	08/30/2016	\$250.00	\$450.00
Address:	406 W Preston St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV/Canvass			
Name:	Gonzalez, Jose R	08/30/2016	\$300.00	\$500.00
Address:	406 W Preston St, Gila Bend, AZ 85337		Cash	
Occupation:	Town of Gila Bend			
Memo:	Phone Bank/GOTV			
Name:	Hector, Navarro	08/30/2016	\$300.00	\$300.00
Address:	314 E Fremont St, Gila Bend, AZ 85337		Cash	
Occupation:	Maricopa County Department of Transportation			
Memo:	Phone Bank/GOTV/Driver to Polls			
Name:	Miller, Damion	08/30/2016	\$250.00	\$450.00
Address:	2036 E Cristina St, San Luis, AZ 85349		Cash	
Memo:	Phone Bank/GOTV			
Name:	Miller, Daniel	08/30/2016	\$250.00	\$250.00
Address:	311 East Freemont, Gila Bend, AZ 85337		Cash	
Occupation:	Area Manager, WAL-Mart Stores Inc.			
Memo:	Phone Bank/GOTV			
Name:	Navarez, Pedro	08/30/2016	\$300.00	\$300.00
Address:	315 E Fremont St, Gila Bend, AZ 85337		Cash	
Occupation:	Mechanic, Self Employed			
Memo:	Phone Bank/GOTV			
Name:	Navarez, Rosa	08/30/2016	\$300.00	\$500.00
Address:	38739 W Interstate 8, Gila Bend, AZ 85337		Cash	
Occupation:	Maintenance, Paloma ESD			
Memo:	Phone Bank/GOTV/Driver to Polls			

Covers 08/24/2016 to 08/30/2016	
Total of Other Expenses	\$2,750.00
Total of Refunds, Rebates, and Credits Received	\$0.00
Net Total of Other Expenses	\$2,750.00

EXHIBIT P



Campaign Finance Report

Treasurer: Nevarez, Rosa
PO Box 863, Gila Bend, AZ 85337
Phone: (602) 295-2102
Email: jesusarubalcava@gmail.com
Candidate Name: Rubalcava, Jesus A
Office Sought: State Representative - District 4

Rubalcava for House
Committee #: 201600368

Amended 2016 Primary Recap Report

Election Cycle: 2015-2016
Date Filed: September 4, 2016
Reporting Period: August 24, 2016-August 30, 2016

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$2,747.56
Total Cash Receipts this Reporting Period:	\$0.00
Total Cash Disbursements this Reporting Period:	\$2,750.00
Cash Balance at End of Reporting Period:	(\$2.44)

Report ID: 163938

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$177.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$525.00
Contributions from Political Committees	C3	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$60.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$16,044.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$0.00	\$0.00	\$0.00	\$16,806.00

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$0.00	\$0.00	\$0.00	\$4,497.09
Independent Expenditures	E2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Other Committees	E3	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	E4	\$2,750.00	\$0.00	\$2,750.00	\$12,381.28
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$2,750.00	\$0.00	\$2,750.00	\$16,878.37
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
Total Cash Disbursed		\$2,750.00	\$0.00	\$2,750.00	\$16,878.37

Schedule E4 - Other expenses

		Date	Amount	Cycle To Date
Name:	Amezua, Abraham	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St., Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezua, Edgar	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezua, Erika	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Amezua, Valerie	08/30/2016	\$200.00	\$200.00
Address:	810 W Margaret St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV			
Name:	Gonzalez, Gloria	08/30/2016	\$250.00	\$450.00
Address:	406 W Preston St, Gila Bend, AZ 85337		Cash	
Memo:	Phone Bank/GOTV/Canvass			
Name:	Gonzalez, Jose R	08/30/2016	\$300.00	\$500.00
Address:	406 W Preston St., Gila Bend, AZ 85337		Cash	
Occupation:	Town of Gila Bend			
Memo:	Phone Bank/GOTV			
Name:	Hector, Navarro	08/30/2016	\$300.00	\$300.00
Address:	314 E Fremont St, Gila Bend, AZ 85337		Cash	
Occupation:	Maricopa County Department of Transportation			
Memo:	Phone Bank/GOTV/Driver to Polls			
Name:	Miller, Damion	08/30/2016	\$250.00	\$450.00
Address:	2036 E Cristina St., San Luis, AZ 85349		Cash	
Memo:	Phone Bank/GOTV			
Name:	Miller, Daniel	08/30/2016	\$250.00	\$250.00
Address:	311 East Freemont, Gila Bend, AZ 85337		Cash	
Occupation:	Area Manager, WAL-Mart Stores Inc.			
Memo:	Phone Bank/GOTV			
Name:	Nevarez, Pedro	08/30/2016	\$300.00	\$300.00
Address:	315 E Fremont St, Gila Bend, AZ 85337		Cash	
Occupation:	Mechanic, Self Employed			
Memo:	Phone Bank/GOTV			
Name:	Nevarez, Rosa	08/30/2016	\$300.00	\$500.00
Address:	38739 W Interstate 8, Gila Bend, AZ 85337		Cash	
Occupation:	Maintenance, Paloma ESD			
Memo:	Phone Bank/GOTV/Driver to Polls			

Amended Primary Recap Report	
Covers 08/24/2016 to 08/30/2016	
Total of Other Expenses	\$2,750.00
Total of Refunds, Rebates, and Credits Received	\$0.00
Net Total of Other Expenses	\$2,750.00

Schedule D1 - Committee Debt

Item	Date	Amount
Outstanding Debt Balance at Beginning of Period	12/22/2015	\$7.76
Original Amount of Debt: \$7.76		
Original Transaction Date: 12/22/2015		
Debt Balance at End of Reporting Period		\$7.76
Outstanding Debt Balance at Beginning of Period	12/08/2015	\$13.17
Original Amount of Debt: \$13.17		
Original Transaction Date: 12/08/2015		
Debt Balance at End of Reporting Period		\$13.17
Outstanding Debt Balance at Beginning of Period	12/11/2015	\$49.00
Original Amount of Debt: \$49.00		
Original Transaction Date: 12/11/2015		
Debt Balance at End of Reporting Period		\$49.00
Total of Outstanding Debt Before Adjustments		\$69.93
Total Credits Against Outstanding Bills		\$0.00
Total Payments On Outstanding Bills		\$0.00
Total of Outstanding Debt After Adjustments		\$69.93

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of:

American Federation for Children, Inc.,
Respondent

MUR No. 17-02 & 17-03

[Proposed] CONCILIATION AGREEMENT

Pursuant to A.R.S. § 16-957(A), the Citizens Clean Elections Commission (the "Commission") and American Federation for Children, Inc. (Respondent) enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

- A. Respondent did not timely file campaign finance reports required by the Clean Elections Act for spending related to particular offices. See A.R.S. § 16-941(D); -16-958. These expenditures totaled ____ and were related to legislative candidates in District 28 and District 26. Respondent made expenditures as identified in Complaints MUR 17-02 and 17-03. See Exhibits 1, 2. The expenditures identified in these complaints should have been reported on September 1, 2017 and November 1, 2017 respectively. The facts are sufficient to find reason to believe Respondent may have committed violations of the Citizens Clean Elections 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 October 2, 2017, the Commission received the Complaint in MUR 17-02 regarding Respondent's failure to file a report required by A.R.S. § 16-941, -958.

D. After receiving the Complaint the Commission Staff reviewed information related to Respondent's Campaign Finance activity provided by the Respondent who had attempted to comply with a different statute, A.R.S. § 16-926. Respondent provided information indicating it would have timely reported information pursuant to A.R.S. § 16-926 had the Campaign Finance Reporting System accepted that information.

E. Reports pursuant to A.R.S. § 16-926 are not the same as those required by the Act, are required at different and different spending levels.

F. On November 2, 2017, the Commission received the Complaint in MUR 17-03 regarding Respondent's failure to file a report required by A.R.S. § 16-941, -958.

G. This Conciliation Agreement concludes the Commission's enforcement proceeding respecting the Complaints.

WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this matter:

1. The Commission has jurisdiction over persons subject to A.R.S. §§ 16-941(D) and -958, including political committees. Respondent avows that the Campaign Finance Reporting System did not prompt it to make any reports as called for in those statutes, although the Commission's effort provides alternative electronic means of filing.
2. Pursuant to A.R.S. §§ 16-941(D) and -958 any person who makes an independent expenditure above a threshold set forth in the Clean Elections Act must file reports required by the person and that under A.R.S. § 16-942(B) the statutory penalty for any reporting violation on behalf of a candidate is up to \$160 per day up to twice the value of the unreported amount.

- 1 3. The Commission agrees not to impose on a fine in these MURs on the following
2 conditions:
- 3 a. Respondent file complete expenditure reports for each MUR on the form attached
4 as Exhibit 3 with the Commission via email by 5 p.m. Friday November 17, 2017.
- 5 b. Respondent agrees to file complete expenditure reports regarding expenditures
6 that identify candidates for state or legislative office on the form attached as Exhibit
7 3, or in the Secretary of State's Campaign Finance Reporting System if available.
- 8 4. Respondent shall be in breach of this Agreement upon the occurrence of any of the
9 following:
- 10 a. Respondent provides false information to the Commission, including regarding the
11 expenditures subject to the Complaints.
- 12 b. Respondent fails to abide by any provision of this agreement.
- 13 5. In the event of breach hereunder, at the option of the Commission, all potential
14 penalties dating from time of each Complaint shall be immediately due and payable. In
15 addition, interest shall accrue on the unpaid balance from the date that the payments
16 become due and payable. Interest shall accrue at the statutory rate of ten percent
17 (10%) pursuant to A.R.S. § 44-1201(A).
- 18 6. Nothing contained in this Agreement shall be construed to prevent any state agency
19 which issues licenses for any profession from requiring that the debt in issue be paid in
20 full before said agency will issue Respondent a new license.
- 21 7. The Commission may waive any condition of default without waiving any other
22 condition of default and without waiving its rights to full, timely future performance of
23 the conditions waived.
- 24 8. In the event legal action is necessary to enforce collection hereunder, Respondent shall
25 additionally pay all costs and expenses of collection, including without limitation,
26 reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies
 recovered.

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By: _____
Respondent

COPPERSMITH
BROCKELMAN

LAWYERS

*17OCT 2 PM 1 32 CCEC

D. Andrew Gaona
agaona@cblawyers.com
PH. (602) 381-5486
FAX (602) 224-6020

2800 N. Central Avenue, Suite 1200
Phoenix, AZ 85004-1009
CBLAWYERS.COM

September 28, 2017

Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams Street, #110
Phoenix, AZ 85007
Thomas.Collins@azcleelections.gov

Re: Complaint Against American Federation for Children, Inc.

Dear Director Collins:

I write today to file a complaint with the Arizona Citizens Clean Elections Commission ("CCEC") regarding unreported independent expenditures made by the American Federation for Children, Inc. ("AFC"). AFC violated A.R.S. §§ 19-141, 19-158, and A.A.C. § R2-20-109(B) by making independent expenditures without filing a report with CCEC.

Specifically, beginning on or about August 23, 2017, AFC sponsored "robocalls" to certain voters in Legislative District 28 advocating against candidate Christine Marsh. Indeed, AFC sent a notice to Ms. Marsh by certified mail regarding the expenditure. [See 8/23/17 Letter from AFC to C. Marsh, attached hereto as Ex. A] The text of the "robocalls," as set forth in the AFC Notice, is as follows:

I'm calling from American Federation for Children with an alert about an elections scandal in this district. Christine Marsh, candidate for state senate, circulated a petition sheet which was later falsified and filed with the Arizona Secretary of State, a felony. Christine Marsh won't say whether it was she or someone else who broke the law by tampering with the document. Christine needs to come forward with the truth. Christine, stop hiding behind the 5th Amendment and come clean. Come clean Christine. Paid for by American Federation for Children, Inc., and not authorized by any candidate or candidate's campaign committee.

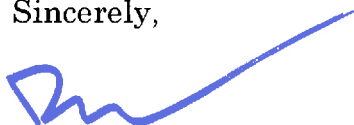
EXHIBIT 1

Thomas Collins
September 28, 2017
Page 2

AFC did not report this independent expenditure to CCEC by September 1, 2017, 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 AFC as authorized by Arizona law. Please feel free to contact me if you require any further information

Sincerely,




D. Andrew Gaona

DAG:slm
Enclosures

STATE OF ARIZONA)
 :ss.
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 28th day of September, 2017, by D. Andrew Gaona.





Notary Public

Christine Marsh Robo Call

I'm calling from American Federation for Children with an alert about an elections scandal in this district.


Christine Marsh, candidate for state senate, circulated a petition sheet... which was later FALSIFIED... and filed with the Arizona Secretary of State, a FELONY.

Christine Marsh won't say whether it was she or someone else who broke the law by tampering with the document. Christine needs to come forward with the TRUTH. Christine, STOP hiding behind the 5th amendment and come clean.

Come clean Christine.

Paid for by American Federation for Children, Inc. and not authorized by any candidate or candidate's campaign committee.

202-280-1985



AMERICAN FEDERATION
for Children

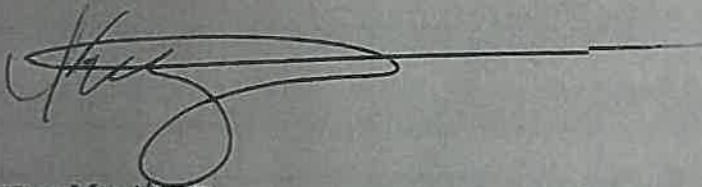
August 23, 2017

Christine Marsh
4117 E Charter Oak Rd
Phoenix, AZ 85032

Dear Christine,

The enclosed is a copy of an Independent Expenditure that is underway.

Sincerely,



Kim Martinez
Arizona Director of Communications
American Federation for Children
202-280-1990

COPPERSMITH
BROCKELMAN
LAWYERS

D. Andrew Gaona
agaona@cblawyers.com
PH. (602) 381-5486
FAX (602) 224-6020

2800 N. Central Avenue, Suite 1200
Phoenix, AZ 85004-1009
CBLAWYERS.COM

November 2, 2017

Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams Street, #110
Phoenix, AZ 85007
Thomas.Collins@azcleanelections.gov

Re: Complaint Against American Federation for Children, Inc.

Dear Director Collins:

I write today to file a complaint with the Arizona Citizens Clean Elections Commission ("CCEC") regarding additional unreported independent expenditures made by the American Federation for Children, Inc. ("AFC"). AFC violated A.R.S. §§ 16-941, 16-958, and A.A.C. § R2-20-109(B) by making independent expenditures without filing a report with CCEC.

Specifically, beginning on or about September 29, 2017, AFC sponsored a "robocall" to certain voters in Legislative District 26 advocating against Representative Isela Blanc (the "Robocall"), who is up for re-election. Indeed, AFC sent a notice to Rep. Blanc by certified mail regarding what it admits was an "independent expenditure." [See 9/29/2017 Letter from AFC to Rep. Blanc, attached hereto as Ex. A (the "AFC Notice")] The text of the Robocall, as set forth in the AFC Notice, was as follows:

This is Johanna Ornelas, an Arizona mother and education advocate with the American Federation for Children. I'm calling about an elections scandal in this district. State Representative Isela Blanc, circulated a petition sheet . . . which was falsified . . . and filed with the Arizona Secretary of State, a felony. Isela Blanc won't say whether it was she or someone else who broke the law by tampering with the document. Now an ethics complaint has been filed against her at the legislature and the matter has been referred to the Attorney General for criminal investigation. Representative Blanc needs to stop taking the fifth and come forward with the truth. Paid for by American Federation for Children, Inc., and not authorized by any candidate or candidate's campaign committee.

EXHIBIT 2

Thomas Collins
November 2, 2017
Page 2

Notably, the AFC Notice included a "paid for by" disclaimer as required by state law for independent expenditures. AFC did not report this independent expenditure to CCEC by October 1, 2017 (nor has AFC reported it to date), and thus it is in clear violation of governing law.

We note that the Robocall's express advocacy is nearly-identical to that at issue in MUR 17-002, another complaint against AFC that is currently pending. The fact that AFC has now run two specifically-targeted robocalls against two current candidates for office with respect to the same subject matter should be more than sufficient to foreclose AFC's defense that the Robocall somehow does not constitute express advocacy.

I trust that you will conduct a thorough investigation, and that CCEC will impose civil penalties against AFC as authorized by Arizona law. Please feel free to contact me if you require any further information

Sincerely,

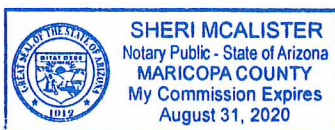


D. Andrew Gaona

DAG:slm
Enclosure
cc: Sara Larsen

STATE OF ARIZONA)
 :ss.
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 2nd day of November, 2017, by D. Andrew Gaona.



Notary Public

Exhibit A



AMERICAN FEDERATION
for Children

September 29, 2017

Isela Blanc
948 E Manhattan Dr
Tempe, AZ 85282

Dear Rep. Blanc,

The enclosed is a copy of an Independent Expenditure that is underway.

Sincerely,

Kim Martinez
Arizona Director of Communications
American Federation for Children
202-280-1990

Isela Blanc Robocall

This is Johanna Ornelas, an Arizona mother and education advocate with the American Federation for Children.

I'm calling about an elections scandal in this district.

State Representative Isela Blanc, circulated a petition sheet... which was FALSIFIED... and filed with the Arizona Secretary of State, a FELONY.

Isela Blanc won't say whether it was she or someone else who broke the law by tampering with the document.

Now an ethics complaint has been filed against her at the legislature AND the matter has been referred to the Attorney General for criminal investigation.

Representative Blanc needs to stop taking the fifth and come forward with the TRUTH.

Paid for by American Federation for Children, Inc. and not authorized by any candidate or candidate's campaign committee.

202-280-1985



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:				
Address:		City	State	Zip
Telephone Number:		Fax Number:		
Name of Authorized Agent:		Telephone Number:	E-mail Address:	
Authorized Agent Address (if different from 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
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input 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, ccec@azcleelections.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.azcleelections.gov.

Please contact ccec@azcleelections.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

EXHIBIT 3

Timothy A. La Sota, PLLC

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

tim@timlasota.com

August 16, 2017

Via email and U.S. mail to:

The Honorable Michelle Reagan
Arizona Secretary of State
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable Mark Brnovich
Arizona Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Re: Falsified petition sheets and apparent petition signature fraud

Dear Secretary Reagan and General Brnovich:

This firm represents American Federation for Children. I write to call to your attention a pattern of Senate Bill 1431 referendum proponents falsifying petition sheets and engaging in what appears to be petition signature fraud. It is unclear who exactly is responsible for falsifying the petition sheets, but this matter needs to be investigated so that the responsible person or persons can be identified and held accountable.

In three instances in which we have identified, petition sheets were illegally circulated by proponents of the referendum without a box checked for "paid circulator" or "volunteer" and without the line for which county the signers were residents of being filled out. We were able to identify these because Save our Schools posted photos of these petition sheets online, and it is apparent from the photos that the referendum petitions are not properly filled out. Despite this, in the photos, the referendum petitions all have numerous signatures on them, indicating that numerous people signed the petition sheets without all the legally required information on the sheet.

Incredibly, instead of being discarded as legally insufficient petition sheets, these petition sheets have shown up in the batch of petition sheets submitted by Save our Schools. It is clear that prior to submission, but after numerous persons had signed the petition sheets, the petition sheets were falsified to indicate that the appropriate box for "paid circulator" or "volunteer" and Maricopa County were filled out prior to circulation.

The following three petition sheets fall into this category:

1. Petition Sheet 008-001545, circulated by Arizona State Representative Isela Blanc. Photos showing Representative Blanc holding up an improperly filled out petition sheet, with signatures

ITEM V - Backup Docs

Secretary Reagan and General Brnovich
August 16, 2017

on it are attached as Exhibit 1. The petition sheet as submitted (008-001545), with the required information mysteriously and illegally filled in, are also attached in Exhibit 1.

2. Petition Sheet 08-00823, circulated by Christine Marsh. Photos attesting to the petition sheet tampering are attached as Exhibit 2.

3. Petition Sheet 08-4605, circulated by Sharon J. Kirsch. Photos attesting to the petition sheet tampering are attached as Exhibit 3.

As you know, petition signature fraud is a criminal offense under Arizona Revised Statutes § 19-119.01(A), which states:

For the purposes of this title, a person commits petition signature fraud if the person does either of the following with the intent to defraud...Uses any fraudulent means, method, trick, device or artifice to obtain signatures on a petition.

Marking necessary boxes and including necessary information after an individual has signed a petition sheet in an attempt to make a petition sheet appear as if it were properly circulated with all required information falls within this statute.

In addition, a “person who acknowledges, certifies, notarizes, procures or offers to be filed, registered or recorded in a public office in this state an instrument he knows to be false or forged, which, if genuine, could be filed, registered or recorded under any law of this state or the United States, or in compliance with established procedure is guilty of a class 6 felony.” A.R.S. § 39-161.

Clearly this statute has also been violated, as the doctored petition sheets were falsely marked, and they were filed with the Secretary of State.

These petition sheets must be invalidated. A.R.S. § 19-101(D) and (E)(“A circulator of a referendum petition shall state whether he is a paid circulator or volunteer by checking the appropriate line on the petition form before circulating the petition for signatures...Signatures obtained on referendum petitions in violation of subsection D of this section are void and shall not be counted in determining the legal sufficiency of the petition.”)(Emphasis added). But in addition to this, swift action must be taken in order to protect the integrity of the petition circulation process. There are a number of questions that must be answered, but the two most critical ones are:

1. Who doctored these petition sheets?
2. If someone other than the circulator improperly filled in the omitted information, which clearly happened after the petition had been circulated, who did this? Did someone systematically go through and falsify additional petition sheets in the manner that the petition sheets cited above were falsified, and if so, who did this and how many were falsified?

Secretary Reagan and General Brnovich
August 16, 2017

If necessary, a grand jury must be empaneled. But clearly the Save our Schools campaign owes the public answers about how these petition sheets came to be falsified.

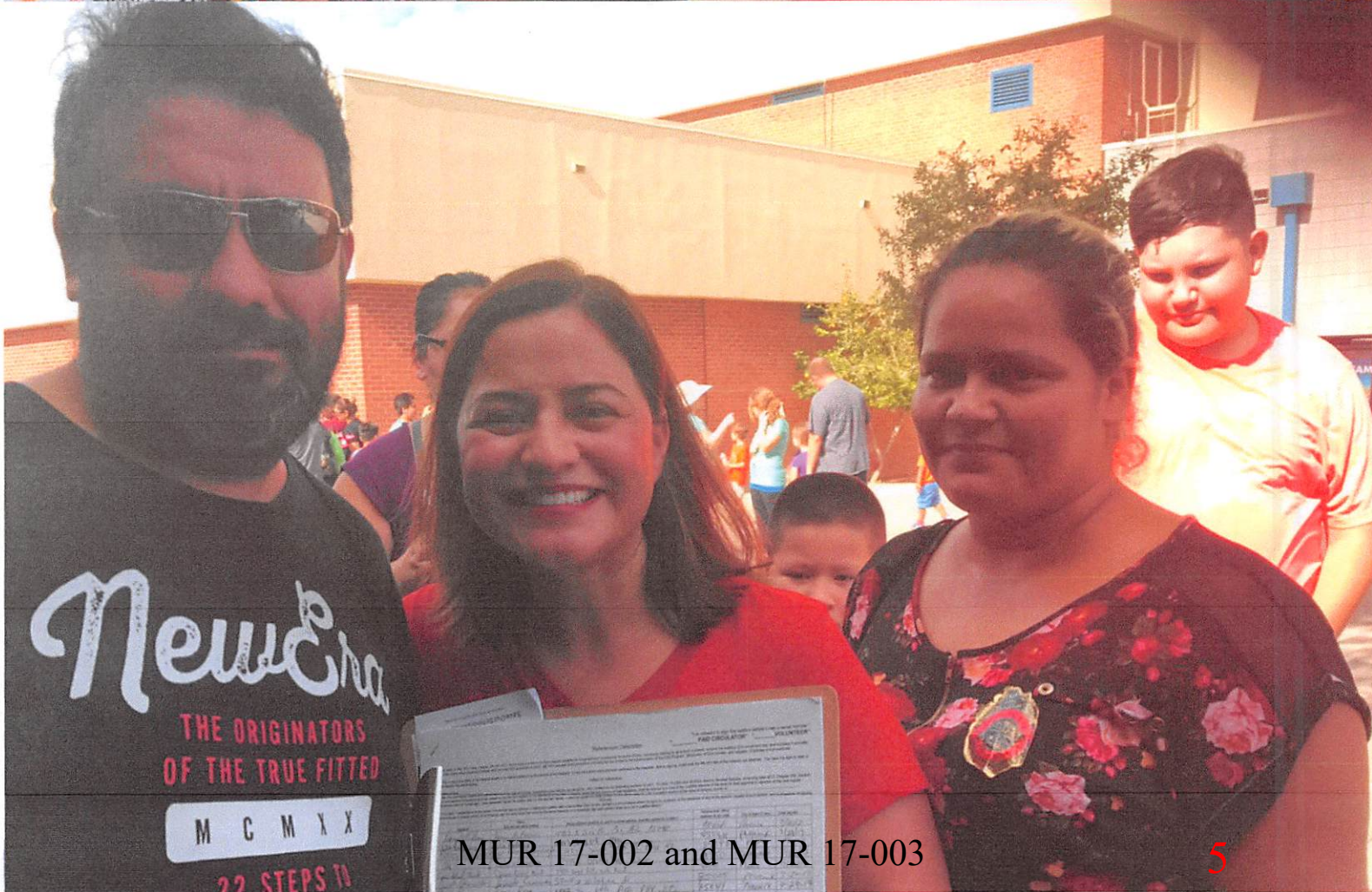
Very truly yours,

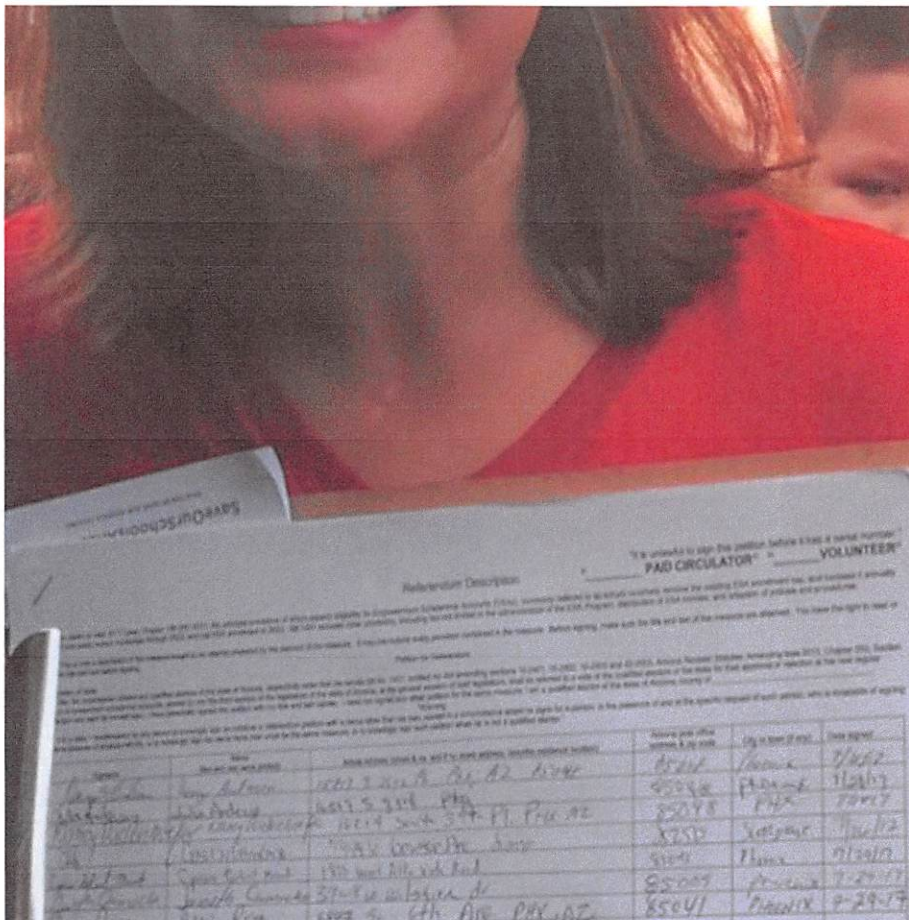
TIMOTHY A. LA SOTA PLC

A handwritten signature in black ink, appearing to be 'T. La Sota', written in a cursive style.

Timothy A. La Sota

Exhibit 1





08-01545 Front

Referendum Description

"It is unlawful to sign this petition before it has a serial number."
 "PAID CIRCULATOR" "X VOLUNTEER"

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 0.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

Notice: This is only a description of the measure sought to be referred prepared by the sponsor of the measure. It may not include every provision contained in the measure. Before signing, make sure the title and text of the measure are attached. You have the right to read or examine the title and text before signing.

Petition for Referendum

To the secretary of state:

We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 3; relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Maricopa.

*Warning

It is a class 1 misdemeanor for any person to knowingly sign an initiative or referendum petition with a name other than his own, except in a circumstance where he signs for a person, in the presence of and at the specific request of such person, who is incapable of signing his own name because of physical infirmity, or to knowingly sign his name more than once for the same measure, or to knowingly sign such petition when he is not a qualified elector.*

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
1. <i>Danny Andersen</i>	Danny Andersen	15419 S. 26th Pl. PHX, AZ 85048	85048	Phoenix	7/25/17
2. <i>Julia Andres</i>	Julia Andres	16309 S 33rd Pl	85048	Phoenix	7/26/17
3. <i>Nancy Dudenhofer</i>	Nancy Dudenhofer	16219 South 39th Pl. PHX AZ	85048	PHX	7/26/17
4. <i>Cesar Camacho</i>	Cesar Camacho	7449 E. WARDEN AVE. Phoenix	85020	Phoenix	7/26/17
5. <i>Cipriano Gabriel Muro</i>	Cipriano Gabriel Muro	1833 West Alta Vista Road	85041	Phoenix	7/29/17
6. <i>Janeth Camacho</i>	Janeth Camacho	3908 W. Wilshire Dr.	85009	Phoenix	7-29-17
7. <i>Adam Reza</i>	Adam Reza	6842 So. 6th. AVE. PHX, AZ	85041	PHOENIX	7-29-17
8. <i>Marina Rodriguez</i>	Marina Rodriguez	514 W. Atlanta Ave PHX AZ	85041	Phoenix	7-29-17
9. <i>Roxanne Munjarr</i>	Roxanne Munjarr	514 W. Atlanta Ave Phoenix AZ	85041	Phoenix	7-29-17
10. <i>Naomi Pickett</i>	Naomi Pickett	3315 W. Fillmore St PHX AZ	85009	PHX	7-29-17
11. <i>Alexandra Garcia</i>	Alexandra Garcia	2638 N 61st Ave Phoenix	85035	Phoenix	7-29-17
12. <i>Naomi V Bahena</i>	Naomi V Bahena	6715 N 23rd Dr Phoenix AZ 850	85015	PHX	7/29-17
13. <i>Adriana Maltzgar</i>	Adriana Maltzgar	16838 W. Encanto Blvd.	85035	Phoenix	7/29/17
14. <i>Glenn Bustillos</i>	Glenn Bustillos	16802 N 67th AVE # 6105	85021	Glendale	7-29-17
15. <i>Liliana Lora</i>	Liliana Lora	715 E. Tamey Ave Apt #1	85014	Phoenix	7-29-17

Secretary of State
Revised 07/09/2015

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Number R-02-2018

Instructions for Circulators

1. All petitions shall be signed by circulator.
2. Paid circulators, whether a resident of Arizona or another state, circulating for a statewide initiative or referendum shall register with the secretary of state before circulating petitions.
3. Circulator is not required to be a resident of this state but otherwise must be qualified to register to vote in this state and, if not a resident of this state, shall register as a circulator with the secretary of state.
4. Circulator's actual residence address or, if no street address, a description of residence location shall be included on the petition.

Affidavit of Circulator

State of Arizona

County of

Maricopa

(Where notarized)

ss.:

I, BECHA Blanc
(Print Name)

a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

Maricopa, in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county affected by the measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

[Signature]

(Residence address, street and number of affiant, or if no street address, a description of residence location)

400 E. Alambra Dr.Tempe, AZ 852827/29/2017

Subscribed and sworn to before me on

(Date)

[Signature]

Notary Public

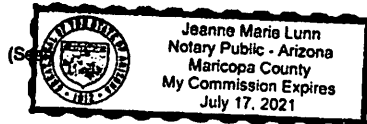
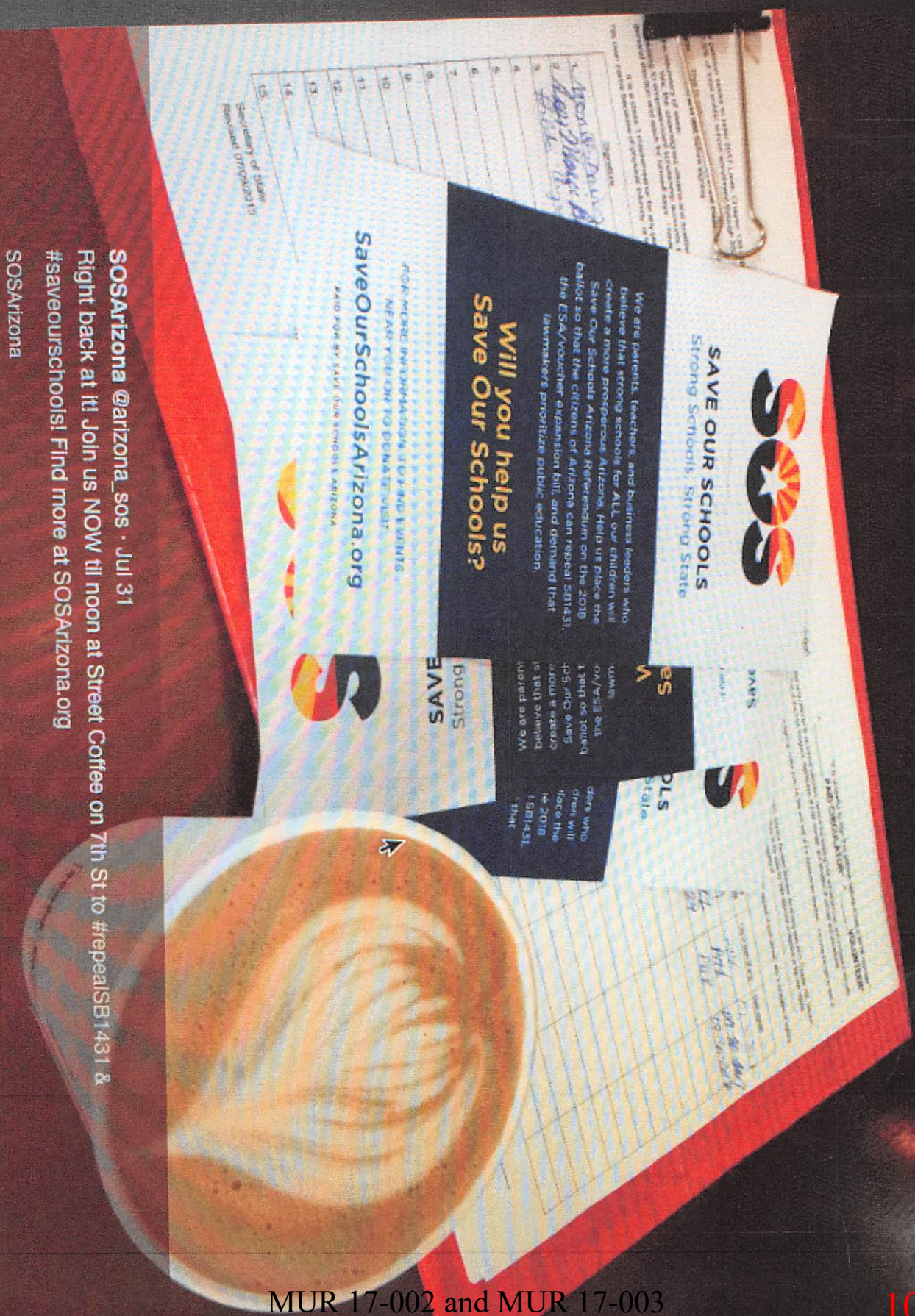
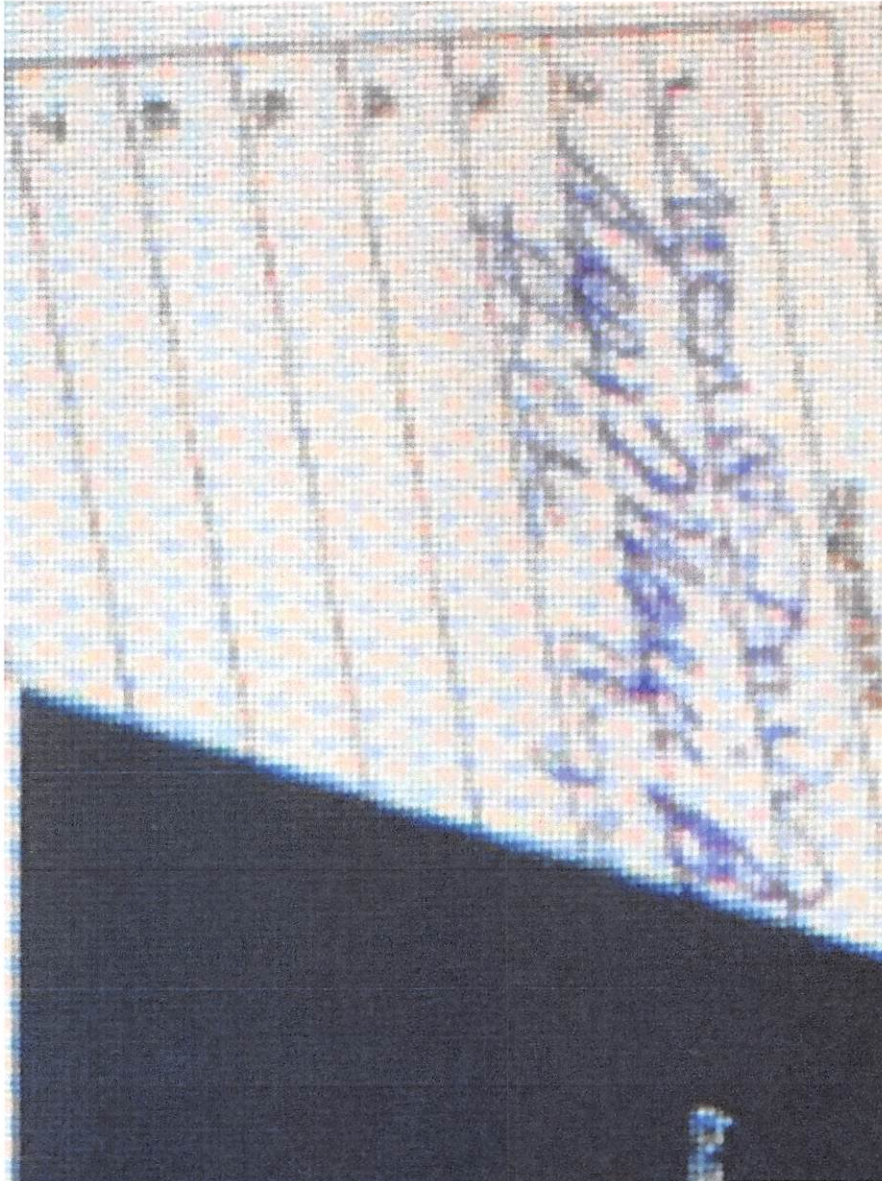
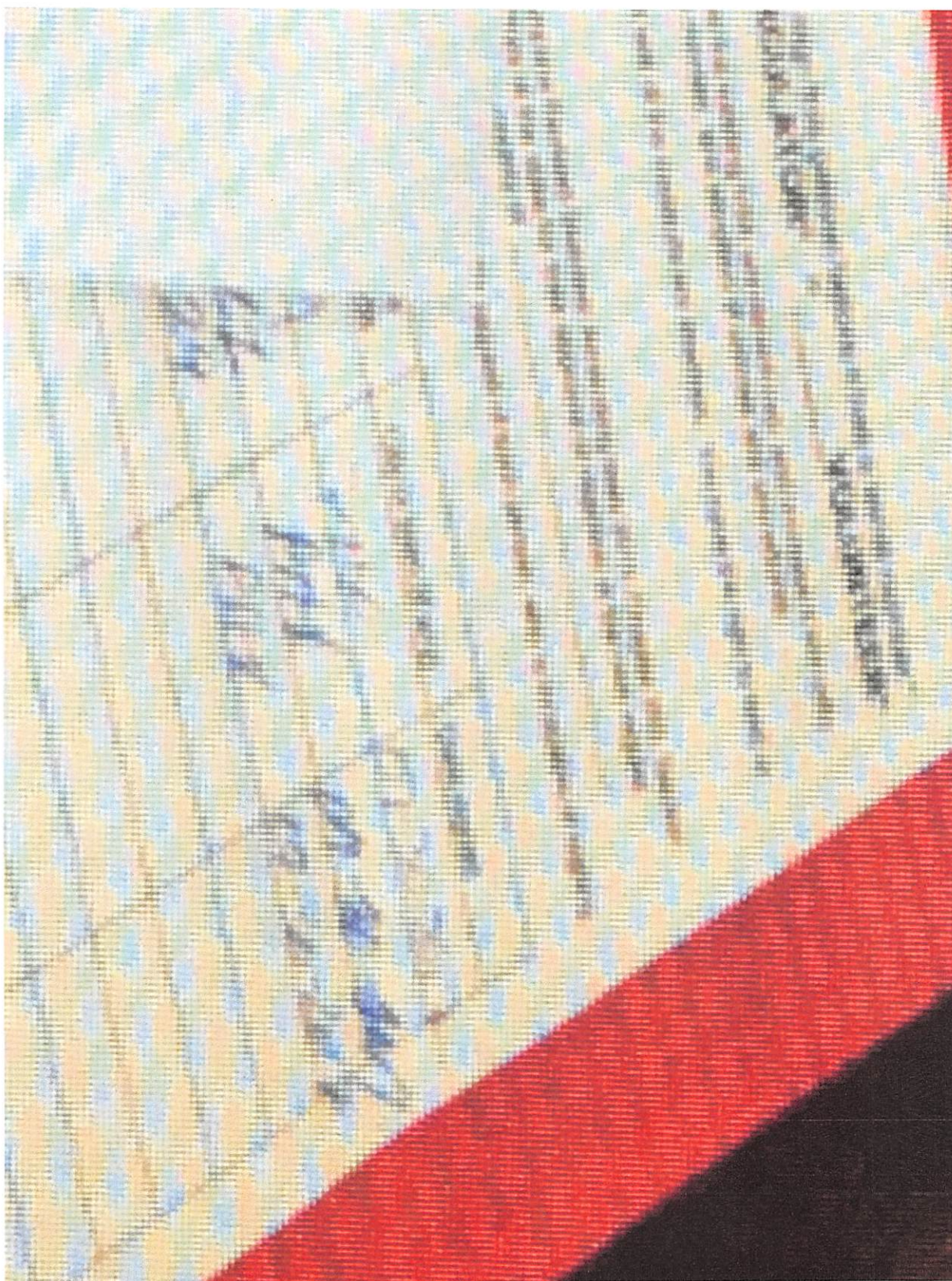


Exhibit 2







Referendum Description

"It is unlawful to sign this petition before it has a serial number."
 "____ PAID CIRCULATOR" "X VOLUNTEER"

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 0.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

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Petition for Referendum

To the secretary of state:

We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 3; relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Maricopa

Warning

It is a class 1 misdemeanor for any person to knowingly sign an initiative or referendum petition with a name other than his own, except in a circumstance where he signs for a person, in the presence of and at the specific request of such person, who is incapable of signing his own name because of physical infirmity, or to knowingly sign his name more than once for the same measure, or to knowingly sign such petition when he is not a qualified elector."

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
1. <i>[Signature]</i>	ANET DRIVIS	526 W DAVENPORT DR. PHX AZ 85029	85029	PHOENIX	07-30-2017
2. <i>[Signature]</i>	R M RUZAY	19001 N. 1st St. PHX AZ 85022	85022	PHX	07-30-2017
3. <i>[Signature]</i>	Hilde Cispell	138 W. Green Dr PHX AZ 85029	85029	PHOENIX	07-30-2017
4. <i>[Signature]</i>	Ana Lujan	6505 N. 15th Ave Phoenix AZ 85015	85015	PHX	8/3/15
5. <i>[Signature]</i>	Chris Keller	7356 N 6th Way Phoenix AZ 85020	85020	Phx	8/3/17
6. <i>[Signature]</i>	Amber Svalstedt	6210 N. 15th Ave	85015	Phoenix	8/3/17
7. <i>[Signature]</i>	Shahide Khan	4248 N 15th Dr. Phoenix AZ	85015	Phoenix	8/3/17
8. <i>[Signature]</i>	Samantha Hirsch	5706 N Central Ave Phoenix AZ	85012	Phoenix	8/3/17
9. <i>[Signature]</i>	T. San Moore	11. E. Northview Ave Phoenix	85020	Phoenix	8/3/17
10.					
11.					
12.					
13.					
14.					
15.					

Secretary of State
Revised 07/09/2015

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Number R-02-2018

Instructions for Circulators

1. All petitions shall be signed by circulator.
2. Paid circulators, whether a resident of Arizona or another state, circulating for a statewide initiative or referendum shall register with the secretary of state before circulating petitions.
3. Circulator is not required to be a resident of this state but otherwise must be qualified to register to vote in this state and, if not a resident of this state, shall register as a circulator with the secretary of state.
4. Circulator's actual residence address or, if no street address, a description of residence location shall be included on the petition.

Affidavit of Circulator

State of Arizona

County of MARICOPA
(Where notarized)

ss.:

I, Sharon J. Kirsch
(Print Name)

, a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

MARICOPA, in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county affected by the measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

Sharon J. Kirsch(Residence address, street and number of affiant, or
if no street address, a description of residence location)11611 N. 12th Pl.Phoenix, AZ 85020

(Seal)

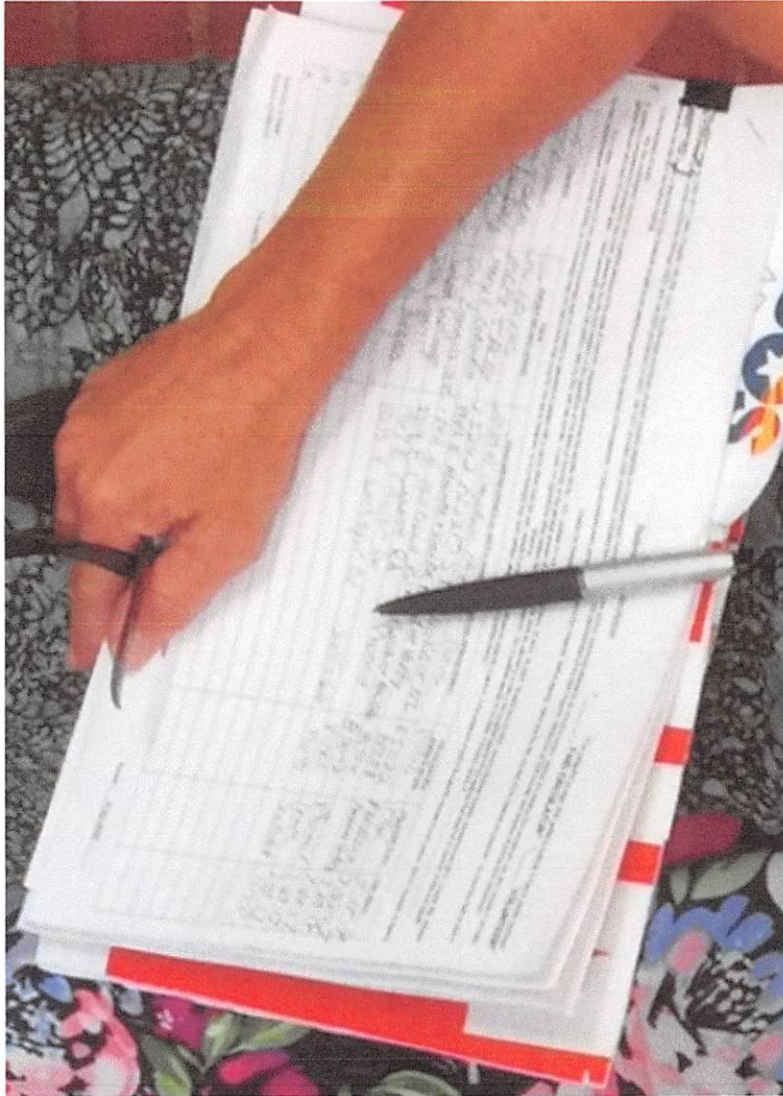


Subscribed and sworn to before me on

August 5, 2017
(Date)Catherine J. Sigmon
Notary Public

Exhibit 3





Referendum Description

"It is unlawful to sign this petition before it has a serial number."

"PAID CIRCULATOR" "VOLUNTEER"

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 0.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

Notice: This is only a description of the measure sought to be referred prepared by the sponsor of the measure. It may not include every provision contained in the measure. Before signing, make sure the title and text of the measure are attached. You have the right to read or examine the title and text before signing.


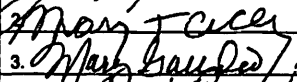
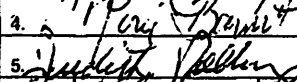
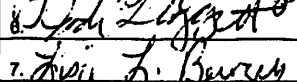
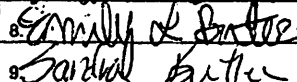
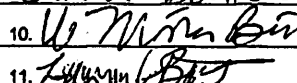
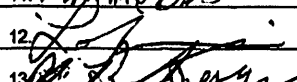
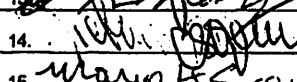
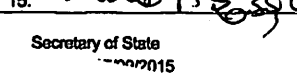



Petition for Referendum

To the secretary of state:

We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 3; relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Maricopa.

Warning

It is a class 1 misdemeanor for any person to knowingly sign an initiative or referendum petition with a name other than his own, except in a circumstance where he signs for a person, in the presence of and at the specific request of such person, who is incapable of signing his own name because of physical infirmity, or to knowingly sign his name more than once for the same measure, or to knowingly sign such petition when he is not a qualified elector."

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
	TAN ROUSE	2033 E Campbell Pkwy Apt 85016	85016	Phx	7-29-17
	MARY TAKEY	13242 N 13TH ST PHOENIX AZ	85022	PHOENIX	7-29-17
	Mary E. Gaudio	4842 E. Mountain View Rd Paradise Valley	85253	Paradise Valley	7-29-17
	TONI BANISTER	1702 E. COTILLO RD #8 PHOENIX AZ	85014		7-29-17
	Judith Rollings	2714 E. Carson Rd. Phoenix	85042	Phoenix	7-29-17
	Jodi Libgett	1967 E CHILTON Dr.	85283	Tempe	7-29-17
	Lisa L. Burgess	14635 E Larkspur Dr Scottsdale	85259	Scottsdale	7/29/17
	Emily L. Butler	6130 E. Turquoise Ave Scottsdale	85253	Scottsdale	7/29/17
	Sandra M. Butler	6130 E. Turquoise Ave. Scottsdale	85253	Scb	7/29/17
	W. MORTON BUTLER	6130 E. TURQUOISE AVE Scottsdale	85253	Scottsdale	7/29/17
	Lauren Butler	6130 E. Turquoise Ave. Scottsdale	85253	Scottsdale	7/29/17
	Jesse Erickson	10020 N 58TH Street Scottsdale Az.	85253	Scottsdale	7/29/17
	Brian Dessop	5340 E OAK Ave Paradise Valley, AZ	85253	Scottsdale	7/29/17
	VICTORIA ESQUER	5632 E MOUNTAIN VIEW RD, PV, AZ	85253	Scottsdale	7/29/17
	MACIO ESQUER	5632 E. MOUNTAIN VIEW RD PV, AZ	85253	PARADISE VALLEY	7-29-17

Secretary of State
7-29-2015

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Number R-02-2018

Instructions for Circulators

1. All petitions shall be signed by circulator.
2. Paid circulators, whether a resident of Arizona or another state, circulating for a statewide initiative or referendum shall register with the secretary of state before circulating petitions.
3. Circulator is not required to be a resident of this state but otherwise must be qualified to register to vote in this state and, if not a resident of this state, shall register as a circulator with the secretary of state.
4. Circulator's actual residence address or, if no street address, a description of residence location shall be included on the petition.

Affidavit of Circulator

State of Arizona

County of

Maricopa }
 (Where notarized)

ss.:

Christine Marsh
 (Print Name)

_____ a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

Maricopa in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county affected by the measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

Christine Marsh

(Residence address, street and number of affiant, or
if no street address, a description of residence location)

4117 E. Charter Oak Rd

Phoenix AZ 85032

Subscribed and sworn to before me on

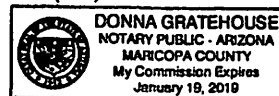
August 1, 2017

(Date)

[Signature]

Notary Public

(Seal)



COPPERSMITH
BROCKELMAN
LAWYERS

'17 OCT 13 AM 9:03 CCEC

D. Andrew Gaona
agaona@cblawyers.com
PH. (602) 381-5486
FAX (602) 224-6020

2800 N. Central Avenue, Suite 1200
Phoenix, AZ 85004-1009
CBLAWYERS.COM

October 11, 2017

Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams Street, #110
Phoenix, AZ 85007
Thomas.Collins@azccleanelections.gov

Re: CCEC MUR 17-002

Dear Director Collins:

As you know, a complaint was previously filed with the Arizona Citizens Clean Elections Commission regarding unreported independent expenditures by the American Federation for Children, Inc. ("AFC"), and is now a matter under review (MUR 17-002). I write today to provide one point of clarification – the statutes implicated by AFC's failure to report are A.R.S. §§ 16-941 and 16-958.

Sincerely,


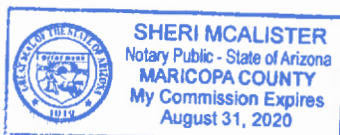


D. Andrew Gaona

DAG:slm

STATE OF ARIZONA)
 :SS.
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 11th day of October, 2017,
by D. Andrew Gaona.



Notary Public

Timothy A. La Sota, PLC

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

tim@timlasota.com

17 OCT 18 PM 3:14 CCEC

October 18, 2017

Via hand delivery to:

Thomas M. Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, Arizona 85007

Re: CCEC MUR 17-002

Dear Mr. Collins:

This firm represents the American Federation for Children (“AFC”).

I write in response to your notification, dated October 6, 2017, informing my client that on October 2, Andrew Gaona filed a complaint against AFC, alleging that AFC failed to file an independent expenditure report with the Citizens Clean Elections Commission as required by Arizona Revised Statute § 16-941 and Arizona Administrative Code Section R2-20-109. Letter from Sara A. Larsen to Kim Martinez (October 6, 2017); Letter from D. Andrew Gaona to Thomas Collins (Sept. 28, 2017). The complaint alleges that AFC violated A.R.S. §§ 16-941, 19-958, and A.A.C. § R2-20-109(B), *id.*, and in a follow-up letter from Mr. Gaona offered that “the statutes implicated . . . are A.R.S. §§ 16-941 and 16-958.” Letter from D. Andrew Gaona to Thomas Collins (Oct. 11, 2017).

Your original letter specified a response due no later than October 18, 2017. By counsel, AFC responds as follows.

The robocall in question is not an independent expenditure because it does not constitute express advocacy under the law. It does not, therefore, fall within the reporting required by A.R.S. §§ 16-926 or 16-941.

Even if the communication is an independent expenditure, AFC effected the reporting required by A.R.S. §§ 16-922(F) and 16-926(G) as well as by §§ 16-941 and 16-958¹.

¹ After initially claiming that AFC had violated A.A.C. R2-20-109, the Complainant has “clarified” his Complaint to limit the legal violation to §§ 16-941 and 16-958. If R2-20-109 is invalid, as this maneuver suggests, then so is the Rule’s direction that the Commission Executive Director implement a “substitute” reporting process for reporting independent expenditures. This removes from the Complaint any reference to reporting of independent expenditures

Background

Christine Marsh has been active in the efforts to repeal SB 1431, the Empowerment Scholarship Accounts Bill which made all Arizona students eligible to apply for the state's school-voucher program. As part of these efforts, she gathered signatures to refer the law to the November 2018 ballot. That effort is a public issue, of course, that is of particular importance to AFC.

In the course of these activities, Ms. Marsh circulated Petition Sheet 08-00823. A true and correct copy of this petition sheet, as submitted to the Secretary of State, is attached as Exhibit 1. As can be seen from Exhibit 1, when the petition sheet was submitted to the Secretary of State's office, the box indicating whether the circulator was a volunteer or paid circulator had been checked.

However, the photos attached as Exhibit 2 show Petition Sheet 08-00823 in the possession of Ms. Marsh before it was submitted to the Secretary of State, with numerous signature lines already completed on the petition sheet but without a box checked indicating whether the circulator was a paid or volunteer circulator. This violates A.R.S. §19-101(D) and (E), which requires the appropriate box to be checked prior to circulating petition sheets and invalidates signatures obtained without a properly checked box. As the Arizona legislature has determined, the public is entitled to know if a petition sheet circulator is paid to circulate or is volunteering his or her efforts. But here, sometime after the signature lines had been completed, as shown in Exhibit 2, somebody tampered with the petition sheet by checking the volunteer box.

Arizona Revised Statutes § 19-119.01(A) states:

For the purposes of this title, a person commits petition signature fraud if the person does either of the following with the intent to defraud. . . . Uses any fraudulent means, method, trick, device or artifice to obtain signatures on a petition.

Marking necessary boxes and including necessary information after an individual has signed a petition sheet in an attempt to make a petition sheet appear as if it were properly circulated with all required information falls within this statute. In addition, a "person who acknowledges, certifies, notarizes, procures or offers to be filed, registered or recorded in a public office in this state an instrument he knows to be false or forged, which, if genuine, could be filed, registered or recorded under any law of this state or the United States, or in compliance with established procedure is guilty of a class 6 felony." A.R.S. § 39-161. In short, then, doctoring Petition Sheet 08-00823 to make it appear as if all legally required information had been included prior to circulating appears to be a criminal act.

to the Commission. *See infra*. That is, the statutes on which the Complaint rests make no reference to any filing requirement with the Clean Elections Commission.

American Federation for Children came to learn of this and reported it to the proper authorities. (Exhibit 3). The Secretary of State's office has now referred this matter to the Arizona Attorney General, presumably for a criminal investigation. (Exhibit 4).

In responding to media inquiries, Ms. Marsh refused to answer questions about what she knew about this apparent commission of a crime and when she knew it. Instead, in August, she told the Arizona Capitol Times that she was "not going anywhere near the actual allegations . . ." (Exhibit 5). To this day, Ms. Marsh has refused to say whether she or someone else illegally marked the box after the petition sheet had been circulated.

The call at issue was not an independent expenditure under A.R.S. §§ 16-901(31) and 16-901.01 because the ad is susceptible to an interpretation other than as an appeal to vote against Ms. Marsh

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 agent².

A.R.S. § 16-901(31). The call at issue here did not expressly advocate the election or defeat of Christine Marsh.

"Expressly advocates" means:

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 call did not expressly advocate under subpart (1) because it contained none of the enumerated phrases of advocacy and, in context, the words it does contain have a reasonable

² Subpart (b) defines when a qualifying expenditure is truly "independent" and is not at issue here.

meaning other than to advocate the election or defeat of Christine Marsh. They describe serious questions raised with respect to the handling of petition sheets for gathering signatures to refer SB 1431—a hot-button issue at the core of AFC’s mission—to a ballot vote. *See infra*.

There was no express advocacy under subpart (2) because even if they fit within the type of communication that is specified, again, in context, the calls have a reasonable meaning other than to advocate the election of a candidate considering the factors specified in subpart (2). The treatment of the petition sheets is, itself, a matter of public import—it is strictly governed by statute. The issue of whether SB 1431 will be referred to the November 2018 ballot, where it can be withdrawn, and with it, the expansion of school choice for all Arizona students—is an issue at the core of AFC’s mission. The most reasonable interpretation of the communication is that it is advocacy on these issues, not the candidacy of Ms. Marsh.

Now turning specifically to the factors provided in A.R.S. § 16-901.01³, there are at least two reasons why the most reasonable meaning of the expenditure at issue here, then, is not to advocate the election of a candidate, but to bring attention to the hot-button issue of retracting the legislature’s expansion of the voucher system in Arizona, and to point out that proponents of the referendum are not abiding by the laws governing the process—and that a high profile proponent may have information about a violation of those laws that she refused to divulge. This leads to a reasonable corollary meaning—showing the lengths to which the opponents of the legislature’s expansion of vouchers to all Arizona children are willing to go to have their way.

The first factor to be considered is “the presentation of the candidate(s) in a favorable or unfavorable light.” Here, the light in which the candidate is placed depends on the views of the hearer⁴, but more important, the light that is cast on Ms. Marsh in the call is unrelated to her candidacy. Simply becoming a candidate for office does not make all scrutiny of her actions in any and all contexts into scrutiny of her as a candidate. That is, the light cast on a person who is very visibly involved in a hot-button issue by her appearing to have violated governing statutes in pursuit of a position on that issue is reasonably aimed at that person for those reasons.

The timing, targeting, and placement of the communication underscores that it is not Ms. Marsh the candidate that is at issue in the communications. Fourteen months before the election, identifying someone as a candidate is not reasonably interpreted as advocacy of an electoral result. Instead, Ms. Marsh’s candidacy (and the public knowledge of that fact) makes her more

³ Arizona law has two overlapping definitions of express advocacy. A.R.S. § 16-901.01(1) requires “magic words”—which are not present here, and as a secondary definition applies a “no other reasonable meaning” test. The alternative, § 16-901.01(2), is a rough approximation of the federal definition of an electioneering communication, said to be the “functional equivalent of express advocacy.” It begins with a limitation to certain media and targets, and includes the same “reasonable interpretation” test that is found in subpart (1). AFC does not concede that the call meets either the “media” provision (limited to broadcast, etc.) or targeting provision (requiring “targeting” of the candidate’s electorate) but does not discuss them here because under the required “substance” test of either definition, there are more reasonable meanings of the communication at issue here than “to advocate for the election or defeat of . . . [a] candidate.” A.R.S. § 16-901.01.

⁴ *See, e.g.*, <http://www.skyislandscribe.com/2017/09/take-no-prisoners.html> (lauding Ms. Marsh in response to the incident).

susceptible to public pressure to divulge what she knows about the apparent crime in the handling of the petitions, which is an issue of public import in itself. Ms. Marsh happens to be a candidate for an election that is still more than a year away, but she is presently and was at the time of the communications a very visible proponent of a hot-button issue—repealing SB 1431—and has been publicly exposed as at least having information about a violation of state law in pursuit of her public position on that issue. At the time of the communications and still now, it is those issues that are in the public eye and a subject for public discussion and scrutiny, and it was those issues that were featured in the communication.

Finally, and most important, the United States Supreme Court has been clear in applying the “reasonable interpretation” standard—“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.” *FEC v. Wisconsin Right to Life, Inc.*, 551 U.S. 449, 469-70 (2007). As mentioned above, there are two highly reasonable interpretations of the robocalls that do not involve an appeal to vote against Ms. Marsh, and the calls specifically called on her to say what she knows about the apparent criminal activity documented in this letter and the letter sent to the Secretary of State and Attorney General. (Exhibit 3). This is clearly enough to take the ads out of the “express advocacy” rubric and out of this Commission’s jurisdiction.

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.” *Id.* at 469. Indeed, in applying the “no reasonable interpretation” test, the Court found that a focus on a legislative issue, urging the public to contact an official on the issue, the lack of mention of an election, political party, or challenger, and the lack of position on a character’s character, qualifications, or fitness for office “plainly” meant that the communication was not express advocacy or its “functional equivalent.” *Id.* at 470. The AFC call was not express advocacy under Arizona law and hence was not an independent expenditure subject to disclosure under §§ 16-922(F), 16-926(G) or by §§ 16-941 and 16-958.

The robocalls do reference Ms. Marsh’s Senate candidacy, but the truth is that very few members of the public know who Ms. Marsh is. It is necessary, for the message to have efficacy and to not sound awkward, to identify Ms. Marsh in some public way. If this were not mentioned, people would wonder who Christine Marsh is and the efficacy of the ad would be lessened.

AFC Effectively Fulfilled the Applicable Disclosure Provisions.

Even if AFC had engaged in express advocacy, AFC has complied with all lawful reporting requirements.

A.R.S. §16-941(D) provides:

Notwithstanding any law to the contrary, any person who makes independent expenditures related to a particular office cumulatively exceeding five hundred dollars in an election cycle, with the exception of any expenditure listed in section

16-920 and any independent expenditure by an organization arising from a communication directly to the organization's members, shareholders, employees, affiliated persons and subscribers, shall file reports with the secretary of state in accordance with section 16-958 so indicating, identifying the office and the candidate or group of candidates whose election or defeat is being advocated and stating whether the person is advocating election or advocating defeat.

In addition, A.R.S. §16-958(D) provides:

The secretary of state shall immediately notify the commission of the filing of each report under this section and deliver a copy of the report to the commission, and the commission shall promptly mail or otherwise deliver a copy of each report filed pursuant to this section to all participating candidates opposing the candidate identified in section 16-941, subsection D.

Within 24 hours of placement of the robocalls, AFC reported all information relevant to these calls, including the \$1,169.10 cost, to the Arizona Secretary of State. In addition, though this is not required by Arizona law, notice was provided to Ms. Marsh of the calls as was previously required under Arizona law. In short, not only has AFC met its legal obligations, it has gone above and beyond that in the interests of transparency.

AFC understands that there is a dispute as to the efficacy of Arizona Administrative Code Rule R2-20-109(A). This rule purports to require separate reporting to the Clean Elections Commission:

In accordance with A.R.S. § 16-958(E), all persons obligated to file any campaign finance report under any provisions of Chapter 6, Article 2 of the Arizona Revised Statutes shall file such reports using the Secretary of State's Internet-based finance-reporting system, except if: 1. Expressly provided otherwise by another Commission rule; or 2. That system, or the necessary function on the system, is unavailable, in which case the executive director shall implement a substitute process.

However, this rule has expired and is no longer in effect. (Exhibit 6); *see also supra*, n. 1 (complainant here apparently so concedes). In addition, even if the rule were still in effect, it conflicts with and goes beyond statutory law, which requires all reports to be made to the Secretary of State's Office under A.R.S. §§16-941 and 16-958. *See Ariz. Bd. of Regents v. Ariz. State Personnel Bd.*, 195 Ariz. 173, ¶ 9, 985 P.2d 1032, 1034 (1999) (“[I]f an agency rule conflicts with a statute, the rule must yield.”)⁵

In sum, then, even though not legally required to do so, AFC has complied with any laws that could possibly apply. The complaint alleging otherwise is without merit. Indeed, if the

⁵ It should also be noted that the reporting schedule that the Clean Elections Commission has provided in its “Notice Regarding I.E. Reporting” is for 2016, and any 2017 reporting requirements as part of the Commission's purported powers under R2-20-109(A)(2) are very difficult to find on the Clean Elections Commission's website.

Mr. Thomas M. Collins
October 18, 2017

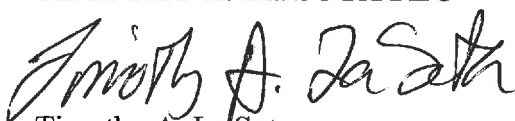
reporting scheme is as opaque and gap-ridden as the complainants' theory requires, it would be susceptible to a due process or other constitutional challenge. Free speech cannot be sacrificed because of gaps or confusing "workarounds" in regulation or reporting.⁶

Conclusion

For all the reasons stated above, the Commission must dismiss this matter at this initial stage. AFC is not subject to the Clean Elections Act with regard to the robocalls at issue, and even if it were, it has met all valid legal requirements.

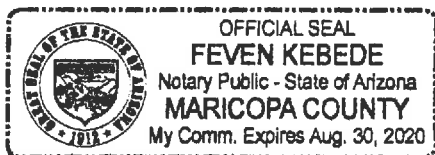
Very truly yours,

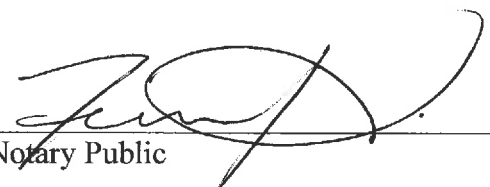
TIMOTHY A. LA SOTA PLC


Timothy A. La Sota

STATE OF ARIZONA)
) ss.:
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 18th day of October, 2017, by Timothy A. La Sota.





Notary Public

⁶ The official Arizona Administrative Code maintained by the Arizona Secretary of State refers to purported Rule 2-20-109 as "DISPUTED SECTION R2-20-109" and states that "The Governor's Regulatory Review Council and the Citizens Clean Elections Commission dispute whether R2-20-109 has expired. Those interested in that issue should consult counsel."

Exhibit 1

"It is unlawful to sign this petition before it has a serial number.

PAID CIRCULATOR" "**VOLUNTEER**"

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We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 3, relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Maricopa

Warning

It is a class 1 misdemeanor for any person to knowingly sign an initiative or referendum petition with a name other than his own, except in a circumstance where he signs for a person, in the presence of and at the specific request of such person, who is incapable of signing his own name because of physical infirmity, or to knowingly sign his name more than once for the same measure, or to knowingly sign such petition when he is not a qualified elector."

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City & town (if any)	Date signed
<i>[Signature]</i>	JAN KAYSER	3033 E. Campbell Hwy Apt 85016	85016	PHX	7-29-17
<i>[Signature]</i>	MARY TACEY	13242 N 13TH ST PHOENIX AZ	85022	PHOENIX	7-29-17
<i>[Signature]</i>	MARY E. GAUDIO	4842 E. Mountain View Rd Paradise Valley	85253	Paradise Valley	7-29-17
<i>[Signature]</i>	TODD BAULIS-TEJ	1702 E. ACOTILLO RD #3 PHOENIX AZ	85014		7-29-17
<i>[Signature]</i>	JUDITH ROLLING	2714 E. Cusum Rd. Phoenix	85042	Phoenix	7-29-17
<i>[Signature]</i>	TODD LIGGETT	1467 E. CILITION Dr	85283	Tempe	7-29-17
<i>[Signature]</i>	KISA L BURGESS	14635 E Larkspur Dr Scottsdale	85257	Scottsdale	7/29/17
<i>[Signature]</i>	EMILY L. BUTLER	10130 E. Tucanoise Ave Scottsdale	85253	Scottsdale	7/29/17
<i>[Signature]</i>	CRISTINA M. BUTLER	1913 E. TUCANOISE AVE. Scottsdale	85253	SCD	7/29/17
<i>[Signature]</i>	LO MORRIS BUTLER	1850 E. TUCANOISE AVE Scottsdale	85253	Scottsdale	7/24/17
<i>[Signature]</i>	LAUREN BUTLER	16130 E. TUCANOISE AVE Scottsdale	85253	Scottsdale	7/24/17
<i>[Signature]</i>	KISSA ECKEN	16020 N 58TH Street Scottsdale AZ 85253	85253	Scottsdale	7/25/17
<i>[Signature]</i>	BRIAN DESSON	5340 E CHRYA AVE Paradise Valley AZ 85253	85253	Scottsdale	7/29/17
<i>[Signature]</i>	VEDRA DESSON	5632 E Mountain View Rd, PV AZ 85253	85253	Scottsdale	7/29/17
<i>[Signature]</i>	MARIO ESKOLER	5632 E. MOUNTAIN VIEW RD PV AZ 85253	85253	Paradise Valley	7-29-17

Number R-02-2018

Instructions for Circulators

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4. Circulator's actual residence address or, if no street address, a description of residence location shall be included on the petition.

Affidavit of Circulator

State of Arizona
County of Maricopa

ss.:

Christine Marsh
(Affiant notelized)
(Print Name)

a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

Maricopa, in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county affected by the measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

Christine Marsh

(Residence address, street and number of affiant, or if no street address, a description of residence location)

4117 E. Charter Oak Rd

Phoenix Az 85032

Subscribed and sworn to before me on August 1, 2017

(Date)

[Signature]

Notary Public

(Seal)

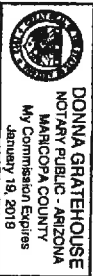


Exhibit 2



Exhibit 3

Timothy A. La Sota, PLLC

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

tim@timlasota.com

August 16, 2017

Via email and U.S. mail to:

The Honorable Michelle Reagan
Arizona Secretary of State
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable Mark Brnovich
Arizona Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Re: Falsified petition sheets and apparent petition signature fraud

Dear Secretary Reagan and General Brnovich:

This firm represents American Federation for Children. I write to call to your attention a pattern of Senate Bill 1431 referendum proponents falsifying petition sheets and engaging in what appears to be petition signature fraud. It is unclear who exactly is responsible for falsifying the petition sheets, but this matter needs to be investigated so that the responsible person or persons can be identified and held accountable.

In three instances in which we have identified, petition sheets were illegally circulated by proponents of the referendum without a box checked for "paid circulator" or "volunteer" and without the line for which county the signers were residents of being filled out. We were able to identify these because Save our Schools posted photos of these petition sheets online, and it is apparent from the photos that the referendum petitions are not properly filled out. Despite this, in the photos, the referendum petitions all have numerous signatures on them, indicating that numerous people signed the petition sheets without all the legally required information on the sheet.

Incredibly, instead of being discarded as legally insufficient petition sheets, these petition sheets have shown up in the batch of petition sheets submitted by Save our Schools. It is clear that prior to submission, but after numerous persons had signed the petition sheets, the petition sheets were falsified to indicate that the appropriate box for "paid circulator" or "volunteer" and Maricopa County were filled out prior to circulation.

The following three petition sheets fall into this category:

1. Petition Sheet 008-001545, circulated by Arizona State Representative Isela Blanc. Photos showing Representative Blanc holding up an improperly filled out petition sheet, with signatures

on it are attached as Exhibit 1. The petition sheet as submitted (008-001545), with the required information mysteriously and illegally filled in, are also attached in Exhibit 1.

2. Petition Sheet 08-00823, circulated by Christine Marsh. Photos attesting to the petition sheet tampering are attached as Exhibit 2.

3. Petition Sheet 08-4605, circulated by Sharon J. Kirsch. Photos attesting to the petition sheet tampering are attached as Exhibit 3.

As you know, petition signature fraud is a criminal offense under Arizona Revised Statutes § 19-119.01(A), which states:

For the purposes of this title, a person commits petition signature fraud if the person does either of the following with the intent to defraud...Uses any fraudulent means, method, trick, device or artifice to obtain signatures on a petition.

Marking necessary boxes and including necessary information after an individual has signed a petition sheet in an attempt to make a petition sheet appear as if it were properly circulated with all required information falls within this statute.

In addition, a “person who acknowledges, certifies, notarizes, procures or offers to be filed, registered or recorded in a public office in this state an instrument he knows to be false or forged, which, if genuine, could be filed, registered or recorded under any law of this state or the United States, or in compliance with established procedure is guilty of a class 6 felony.” A.R.S. § 39-161.

Clearly this statute has also been violated, as the doctored petition sheets were falsely marked, and they were filed with the Secretary of State.

These petition sheets must be invalidated. A.R.S. § 19-101(D) and (E)(“A circulator of a referendum petition shall state whether he is a paid circulator or volunteer by checking the appropriate line on the petition form before circulating the petition for signatures...Signatures obtained on referendum petitions in violation of subsection D of this section are void and shall not be counted in determining the legal sufficiency of the petition.”)(Emphasis added). But in addition to this, swift action must be taken in order to protect the integrity of the petition circulation process. There are a number of questions that must be answered, but the two most critical ones are:

1. Who doctored these petition sheets?
2. If someone other than the circulator improperly filled in the omitted information, which clearly happened after the petition had been circulated, who did this? Did someone systematically go through and falsify additional petition sheets in the manner that the petition sheets cited above were falsified, and if so, who did this and how many were falsified?

Secretary Reagan and General Brnovich
August 16, 2017

If necessary, a grand jury must be empaneled. But clearly the Save our Schools campaign owes the public answers about how these petition sheets came to be falsified.

Very truly yours,

TIMOTHY A. LA SOTA PLC

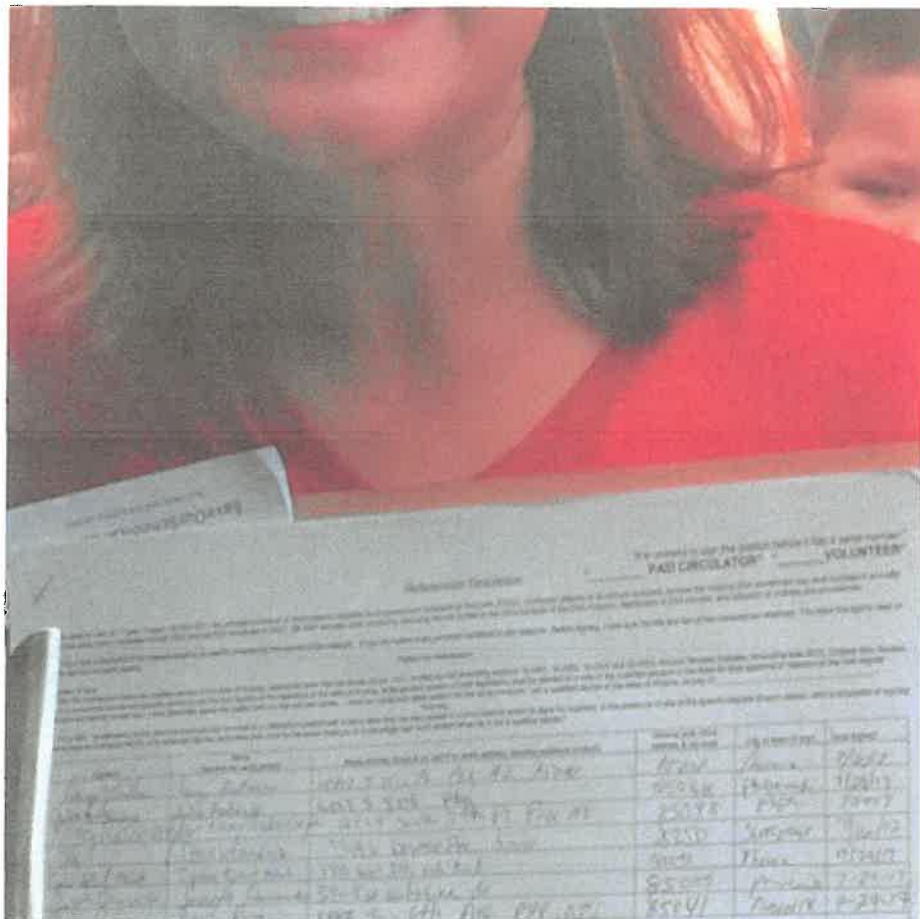
A handwritten signature in dark ink, appearing to be 'M' followed by a long horizontal stroke.

Timothy A. La Sota

Exhibit 1



MUR 17-002



08-01545 Front

"It is unlawful to sign this petition before it has a serial number." " PAID CIRCULATOR " X VOLUNTEER "

Referendum Description

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 0.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

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Petition for Referendum

To the secretary of state:

We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the separate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 3; relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Maricopa.

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Warning

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
1. <i>[Signature]</i>	Amy Anderson	15119 S 26th Pl PHX, AZ 85041	85041	Phoenix	7/25/17
2. <i>[Signature]</i>	Julia Anderson	16809 S 33rd Pl PHX	85042	Phoenix	7/26/17
3. <i>[Signature]</i>	Nancy Anderson	16219 South 3rd Pl, PHX AZ	85048	PHX	7/26/17
4. <i>[Signature]</i>	Christina Anderson	7149 E Camelback Rd Phoenix	85020	Phoenix	7/26/17
5. <i>[Signature]</i>	Cyrene G. G. G. G.	1835 West Alhambra Rd	85041	Phoenix	7/26/17
6. <i>[Signature]</i>	Joseph Camacho	3908 W. Wilshire Dr.	85009	Phoenix	7-29-17
7. <i>[Signature]</i>	Ann Reed	6842 So. 6th Ave. PHX, AZ	85041	PHOENIX	7-29-17
8. <i>[Signature]</i>	Marie Valdes	514 W. Atlanta Ave PHX AZ	85041	Phoenix	7-29-17
9. <i>[Signature]</i>	Roxanne Maynard	514 W. Atlanta Ave Phoenix AZ	85041	Phoenix	7-29-17
10. <i>[Signature]</i>	Nanni Pickett	3315 W Fillmore St PHX AZ	85019	PHX	7-29-17
11. <i>[Signature]</i>	Alexandra Garcia	2638 N 61st Ave Phoenix	85035	Phoenix	7-29-17
12. <i>[Signature]</i>	Adam Valdes	6715 N 23rd Ave Phoenix AZ 850	85015	PHX	7-29-17
13. <i>[Signature]</i>	Alicia Martinez	16838 W Encanto Blvd.	85035	Phoenix	7/29/17
14. <i>[Signature]</i>	Glenn Bustillos	16802 N 67th Ave # 1015	85021	Glendale	7-29-17
15. <i>[Signature]</i>	Liliana Lora	715 E Turney Ave Apt #1	85014	Phoenix	7-29-17

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Secretary of State
Revised 07/09/2015

Number R-02-2018

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Affidavit of Circulator

State of Arizona)
 County of Maricopa) ss.:
 (Where notarized)
JEFFREY BLANK
 (Print Name)

I, JEFFREY BLANK, a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

Maricopa in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county measure, of the city, town or county affected by the measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

JEFFREY BLANK

(Residence address, street and number of affiant, or if no street address, a description of residence location)

Tempe, AZ 85282

Subscribed and sworn to before me on:

7/29/2017

(Date)

Notary Public

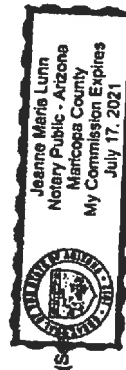


Exhibit 2



SAVE OUR SCHOOLS
Strong Students. Strong State

We are parents, teachers, and business leaders who believe that strong schools for ALL our children will create a more prosperous Arizona. Help us place the Save Our Schools Arizona Referendum on the 2019 ballot so that the citizens of Arizona can repeal SB1431, the ESA/teacher expansion bill, and demand that lawmakers prioritize public education.

**Will you help us
Save Our Schools?**

SaveOurSchoolsArizona.org

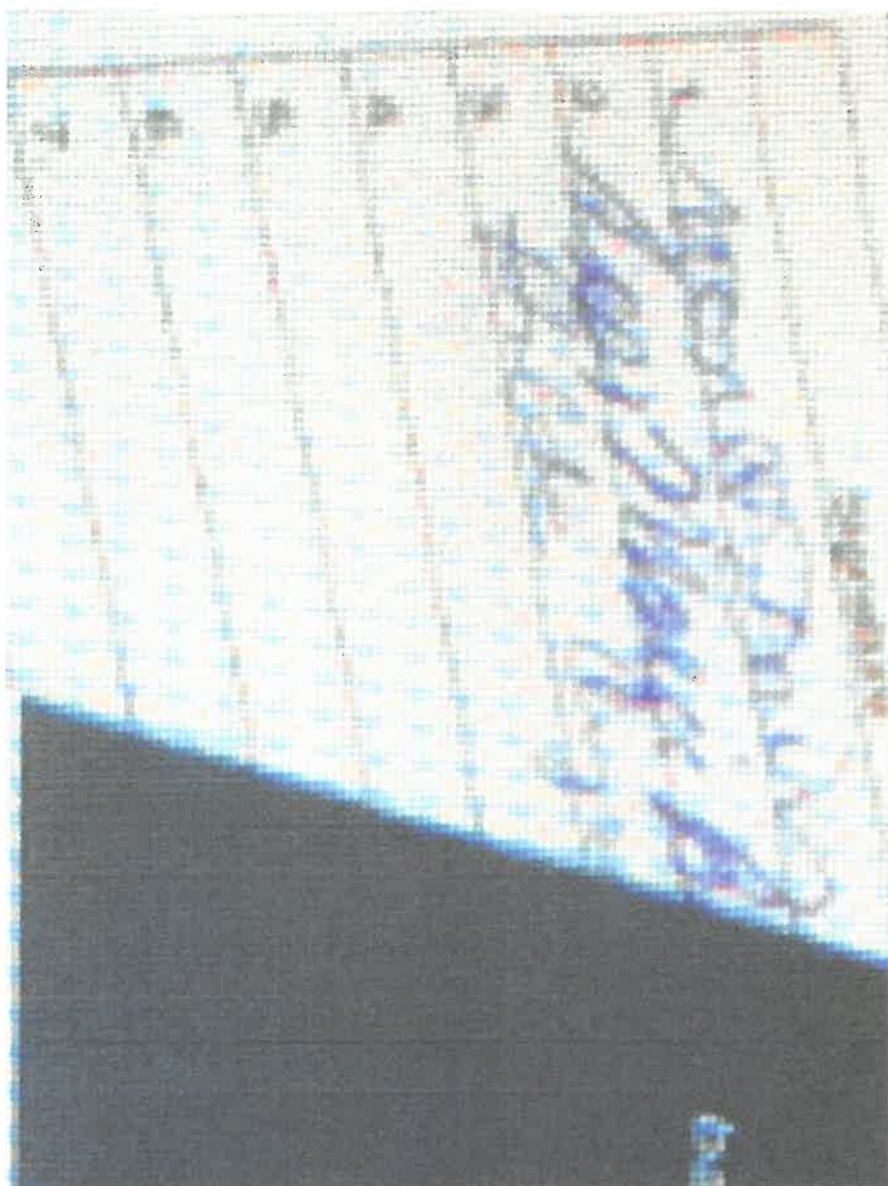


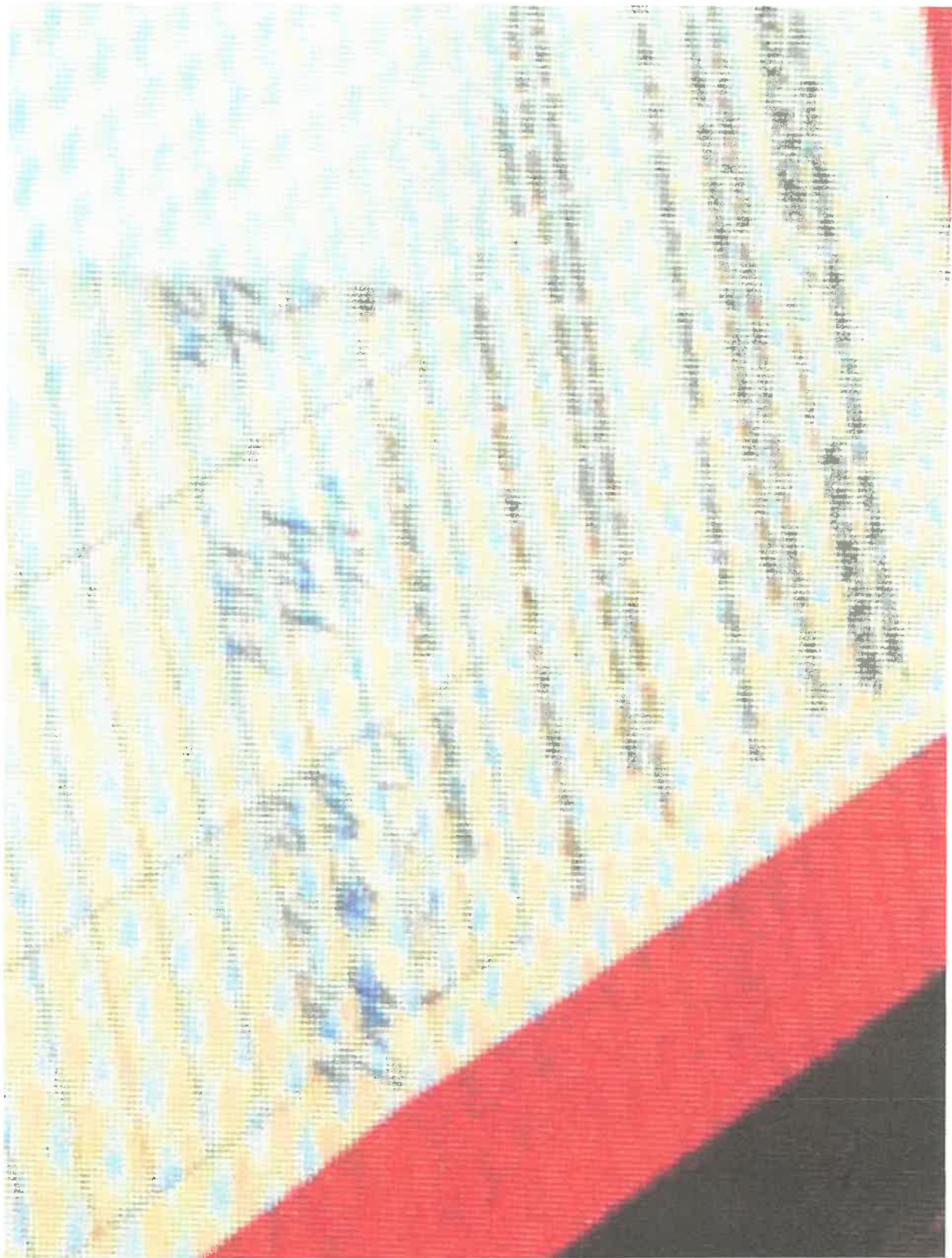
**SAVE
OUR
SCHOOLS**

Save Our Schools and
175 other laws
without a state
is just a step
toward an SA

Save Our
Schools
Referendum
is just a step
toward an SA

SOSarizona @arizona_sos · Jul 31
Right back at it! Join us NOW til noon at Street Coffee on 7th St to #repealSB1431 & #saveourschools! Find more at SOSarizona.org
SOSarizona





"It is unlawful to sign this petition before it has a serial number." " PAID CIRCULATOR " X VOLUNTEER "

Referendum Description

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 0.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

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Warning

Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
1. <i>[Signature]</i>	ANNE T. DAVIS	526 W. DAVENPORT DR. PHX. AZ 85029	85029	PHOENIX	07-30-2017
2. <i>[Signature]</i>	R. M. RUSSELL	19001 N. 1st St. PHX. AZ 85022	85022	PHX	07-30-2017
3. <i>[Signature]</i>	Hilde Russell	138 W. Grand St. PHX. AZ 85029	85029	PHOENIX	07-30-2017
4. <i>[Signature]</i>	Ana Lygin	6505 N. 15th Ave PHOENIX AZ 85015	85015	PHX	8/3/17
5. <i>[Signature]</i>	Chris Ketter	7356 N 6th Way Phoenix AZ 85020		Phoenix	8/3/17
6. <i>[Signature]</i>	Amber Svalstedt	6210 N. 15th Ave	85015	Phoenix	8/3/17
7. <i>[Signature]</i>	Shahida Khan	4248 N. 15th Dr. Phoenix AZ	85015	Phoenix	8/3/17
8. <i>[Signature]</i>	Samantha Hirsch	5706 N. CENTRAL AVE PHOENIX AZ	85012	Phoenix	8/3/17
9. <i>[Signature]</i>	T. San Moore	11. E. Northview Ave Phoenix	85020	Phoenix	8/3/17
10.					
11.					
12.					
13.					
14.					
15.					

Secretary of State
Revised 07/09/2015

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Number R-02-2018

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State of Arizona

County of MARICOPA } ss.:

(Where notarized)

Sharon J. Kirsch
(Print Name)

a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of

Affidavit of Circulator

MARICOPA In the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county measure, of the city, town or county measure proposed to be initiated or referred to the people) and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

Sharon J. Kirsch

(Residence address, street and number of affiant, or if no street address, a description of residence location)

11611 N. 12th Pl.

(Seal)

Phoenix, AZ 85020

Subscribed and sworn to before me on

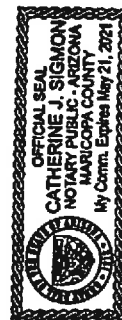
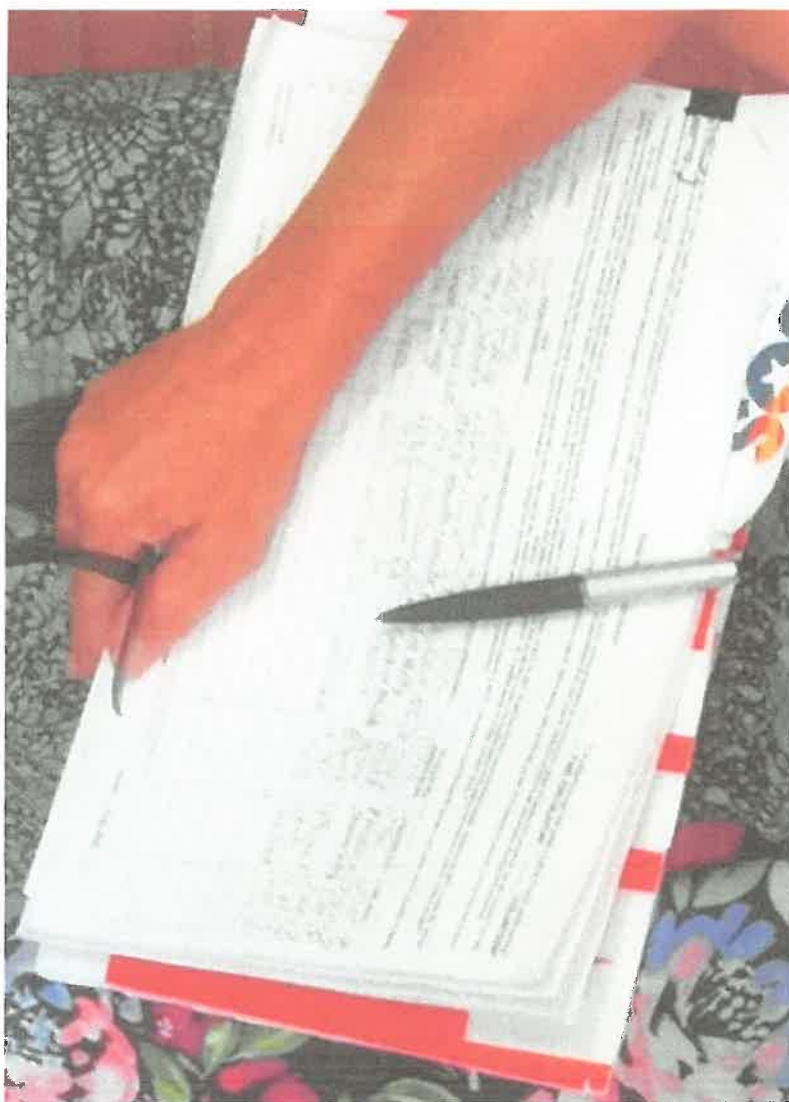
August 5, 2017
(Date)Catherine J. Simon
Notary Public

Exhibit 3





"It is unlawful to sign this petition before it has a serial number." " PAID CIRCULATOR " VOLUNTEER "

Referendum Description

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	JAN KAYSSE	2033 E Campbell Ave Apt 85016	85016	Phoenix	7-29-17
	MARY E. GAUDIN	13242 N 13TH ST PHOENIX AZ	85022	PHOENIX	7-29-17
	TONI BENAVIDEZ	4842 E Mountain View Rd Paradise Valley	85253	Paradise Valley	7-29-17
	JUDITH ROLLINS	1702 E. COTULLO RD #8 PHOENIX AZ	85014		7-29-17
	JODI LIBGETT	2714 E. Curson Rd. Phoenix	85042	Phoenix	7-29-17
	LISA L. BURGESS	1967 E CHILTON DR	85283	Tempe	7-29-17
	EMILY L. BUTLER	14635 E Larkspur Dr Scottsdale	85259	Scottsdale	7/29/17
	SANDRA M. BUTLER	60130 E. Turquoise Ave. Scottsdale	85253	Scottsdale	7/29/17
	W. MORTON BUTLER	16130 E. Turquoise Ave. Scottsdale	85253	Scottsdale	7/29/17
	LAUREN BUTLER	60130 E. Turquoise Ave. Scottsdale	85253	Scottsdale	7/29/17
	LIGE ERICKSON	10020 N 58th Street Scottsdale AZ 85253	85253	Scottsdale	7/29/17
	BRIAN DESSEP	5340 E ONYX AVE Paradise Valley AZ 85253	85253	Scottsdale	7/29/17
	VICTOR RIOS	5632 E Mountain View Rd, PV, AZ 85253	85253	Scottsdale	7/29/17
	MACIO ESCOBAR	5632 E. Mountain View Rd, PV, AZ 85253	85253	Paradise Valley	7-29-17

Secretary of State

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Number R-02-2018

1. All petitions shall be signed by circulator.
2. Paid circulators, whether a resident of Arizona or another state, circulating for a statewide initiative or referendum shall register with the secretary of state before circulating petitions.
3. Circulator is not required to be a resident of this state but otherwise must be qualified to register to vote in this state and, if not a resident of this state, shall register as a circulator with the secretary of state.
4. Circulator's actual residence address or, if no street address, a description of residence location shall be included on the petition.

Affidavit of Circulator

State of Arizona)
) ss.:
)

33

1
(Where notated)
Christine Marsh
(Print Name)

VIA KSI
(Print Name)

I, CHRISTINE WILSON (Print Name) Maricopa in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona (or in the case of a city, town or county measure, of the city, town or county measure, of the measure proposed to be initiated or referred to the people) and that all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant)

Christine Black

(Residence address, street and number of affiant, or if no street address, a description of residence location)

4117 E. Charter Oak RD

Phoenix AZ 85032

Subscribed and sworn to before me on August 1, 2017 (Date)

Notary Public

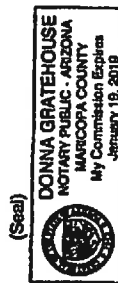


Exhibit 4



MICHELE REAGAN
Secretary of State
State of Arizona

August 29, 2017

EMAIL ONLY

Mr. Todd Lawson
Assistant Attorney General
Criminal Division – Fraud and Special Prosecutions Section
Office of the Attorney General
1275 W. Washington Street
Phoenix, AZ 85007
Todd.Lawson@azag.gov

Re: Referral for Alleged Petition Signature Fraud

Dear Mr. Lawson,

The Secretary of State's Office received the enclosed letter on August 16, 2017, seeking an investigation into the handling of three referendum petition sheets.

The Secretary of State's Office lacks jurisdiction under A.R.S. § 19-121.01 to invalidate a petition sheet based on alleged fraud involving the "paid" or "volunteer" checkboxes, and therefore did not remove those sheets from consideration. Nor does the Secretary of State appear to possess the legal authority to undertake the type of fact-intensive investigation requested by Mr. La Sota.

Accordingly, the Secretary of State's Office refers this matter to your attention to conduct any necessary further proceedings your office sees fit under Arizona law.

Very truly yours,
Eric Spencer

A handwritten signature in blue ink, appearing to read "E. Spencer", written over the typed name.

State Election Director
Arizona Secretary of State Michele Reagan
espencer@azsos.gov
(602) 542-8683

1700 West Washington Street, Floor 7
Phoenix, Arizona 85007-2808
Telephone (602) 542-4285 Fax (602) 542-1575

MUR 17-002



MICHELE REAGAN
Secretary of State
State of Arizona

cc: Tim La Sota
Kory Langhofer
Roopali Desai
Andy Gaona
Ryan Anderson

MUR 17-002

1700 West Washington Street, Floor 7
Phoenix, Arizona 85007-2808
Telephone (602) 542-4285 Fax (602) 542-1575
www.azsos.gov

Exhibit 5

Arizona Capitol Times-Yellow Sheet

August 21, 2017

NO COMMENT, EXCEPT FOR ‘FRIVOLOUS’ AND ‘RIDICULOUS’

Democratic LD28 Senate candidate Christine Marsh told our reporter she won't comment on attorney Timothy La Sota's recent accusations against her and Save Our Schools Arizona ([YS, 8/17](#)). Marsh said she's "not going anywhere near the actual allegations until this is done." But, she told our reporter, "I will say that I think the complaint is frivolous and, I don't even know, ridiculous." La Sota alleged that signature gatherers doctored some petitions by checking a box indicating whether they were paid or volunteer gatherers only after they'd circulated the petitions, instead of before, as state law requires. La Sota cited photos from SOS Arizona social media accounts that showed Blanc and Marsh holding filled-out petitions that do not yet have the boxes checked. Marsh said she will welcome a request for comment when legal issues are settled in court. She also said she thinks the conversation should be about "the whole point of it all, which is to give a voice to the people and protect public schools, protect public education." When asked about training she received from SOS Arizona and whether she checked the appropriate "paid circulator" or "volunteer" boxes on petition sheets, Marsh said, "I'm going to pivot back to the point of the whole thing, which was to try to protect education and really just to give people a chance to decide what they want happening with their public dollars." She said she wanted to comment on who may have checked the boxes on sheets after they were used to gather signatures, but again, she declined comment, "because I don't think it's smart for me to comment on anything specific that ties into the lawsuit at all."

Exhibit 6

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damien R. Meyer
Mark S. Kimble
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.azcanelections.gov

June 20, 2017

Nicole Ong Colyer
Chairwoman
Governor's Regulatory Review Council
100 N. 15th Ave #305
Phoenix, AZ 85007

Re: Clean Elections Commission Rules/June 6, 2017 Meeting

Dear Chairwoman Ong Colyer:

This letter addresses issues relating to GRRC's June 6, 2017 meeting.

Resubmittal of 5-Year Report. Please find with this letter a resubmittal of the Arizona Citizens Clean Elections Commission's 5-year report addressing R2-20-109, 110, and 111. Attachment A. The Council voted to return the Commission's report concerning these rules at its June 6, 2017 meeting. At that meeting, individual Council members identified two concerns about in the report, and those issues have been addressed in the report that is submitted with this letter. We note that although two individual council members mentioned two concerns with the report (neither of which raised a substantive concern about the rules themselves), the Council itself did not "inform the agency of the manner in which its report is inadequate" as the statutes require it to do. A.R.S. § 41-1056(C).

The Commission believes its 5-year Review Report, and the previous versions of the report, that it submitted to the Council satisfy the requirements set forth in A.R.S. § 41-1056(C). Nevertheless, when Council has voted to return the Commission's report, the Commission has always modified the report and resubmitted it for Council review. Accordingly, we are modifying the report and submitting it to the Council for consideration.

Expiration Notice. On June 8, Council staff provided me a copy of a notice advising the Secretary of State's office that Commission rules R2-20-109 and R2-20-111 "expired" as of June 7, 2017. The Council did not discuss this notice during its June 6 meeting at which it returned the Commission's report addressing those rules. After the meeting, Council staff mentioned to me that such a notice would be issued, but the Council itself never referenced such a notice during its deliberations concerning our report at the June 6 meeting.

For the record, the Commission objects to the notice submitted to the Secretary of State's Office and asserts that the notice has no legal effect on any Commission rule. First, the

purported expiration order that the Council issued in February 2, 2016 has itself expired. *See* A.R.S. § 41-1056(F)(1)-(2) (permitting extension for one year). No statutory authority provides for extensions beyond a year. Aside from being beyond the one-year period provided in statute, GRRC'S flawed February 2, 2016 order to "repeal R2-20-109(F)(2) – (F)(12) and (G)" has been mooted by subsequent amendments to Commission rules. That February 2, 2016 order cannot, without additional Council action, morph into the June 2017 notice of expiration of R2-20-109 and R2-20-111.

The Council twice advised the Commission that, contrary to the notice, only R2-20-109(F)(2)-(12) and 109(G) would expire. *See* March 8, 2016 Ltr. of C. Kleminich to T. Collins (Attachment B); March 17, 2016 Ltr. of C. Kleminich to M. O'Grady (Attachment C). No accounting for the incredible expansion of the notice, including affecting subsections never questioned by the Council, has ever been made. However, the very notice that the Council provides only confirms that there has never been any public determination of what the Council finds materially flawed respecting the Commission's current rules, let alone how they fail to comply with the Council's procedurally invalid February 2016 "decision" to require the Commission to repeal R2-20-109(F)(2) – (F)(12) and (G).

Indeed, Mr. Kleminich's comments June 12 Commission testimony confirmed the Council's views are inconsistent. Mr. Kleminich testified at the Commission meeting that because R2-20-109 and 111, in his view, had not been amended, those rules expired. Attachment D, Transcript of testimony of C. Kleminich to Citizens Clean Elections Commission, June 12, 2017, Tr. 13:17-25 to 14:1-19. When Mr. Kleminich testified, along with Council Members Sundt and Ames, at the Commission on February 23, 2017, he commented that although the initial concern was R2-20-109(F)(2)-12 and (G), he believed that in light of the rule changes since the process started, the only rules that remained a concern were 109(B)(2) and (4) and 111(A). Attachment E, Testimony of C. Kleminich to the Clean Elections Commission, February 23, 2017, Tr. 67:5-9 ("What is left of that, at least in our view, is 109(B)(2), (B)(4) and 111(A). So we're only speaking to those, *not the Commission's rules at large*. The expiration date for those provisions was then extended again to March 4, 2017; in other words, two weeks from now.") (emphasis added).

Nor has Mr. Kleminich, or the Council, or any Council Member explained how the Council's purported decisions address a subsection of a rule or an entire rule. While on June 12, Mr. Kleminich expressed the view that the entire rule expires, GRRC's initial order and was directed at subsections of rule R2-20-109. How the Commission is to determine compliance, let alone substantial compliance, when the Council itself cannot, demonstrates the Council process is not grounded in law.

The purported expiration notice itself falsely claims that "Provisions in R2-20-109(F) which were required to be repealed by the Council have been renumbered to R2-20-109(B), but have not been repealed as the Council required." GRRC's authority to provide notice that rules have expired only arises when "the agency does not amend or repeal the rule by the date specified by the council" A.R.S. 41-1056(G). The record amply demonstrates that R2-20-109(F) was repealed and that current R2-20-109(B) is substantially different than R2-20-109(F). And there was never any direction from GRRC to repeal R2-20-109 in its entirety or R2-20-111. The agency has made no determination that these rules are materially flawed, nor has any date ever been set for these new rules' expiration.

The Commission's objections to GRRC's assertion of authority to repeal Commission rules and the Council's process leading to the June 8 notice have been documented in previous communications. As the Council knows, the Commission has long objected to the Council's violations of Title 41. *See, e.g.*, Attachment F, Ltr. from Mary O'Grady to Chris Kleminich, March 22, 2016 ("Council cannot, as you propose, "affirm" the August 2 date at a future meeting. It must first make the determination that the rules are materially flawed and then set a deadline for the Commission to propose an amendment or repeal of the rules that is at least six months from the date of that determination."); Attachment G Transcript of testimony of J. Roth to Governor's Regulatory Review Council, May 5, 2016, Tr. 12:21-25 to 13:1-6 ("I don't understand what the purpose of a revised report would be if it was going to go on a parallel track with a repeal. It -- it seems to me that there is no productive end result to that process if a conclusion with respect to repeals happened. And, additionally, I would just clarify that the Commission does not think that there has been a finding that any portion of the rule is materially flawed and that is one of the objections we had to the legal effect of the action taken on February 2nd."); Testimony of T. Collins, Governor's Regulatory Review Council, March 28, 2017, *available at* <https://archive.org/details/032817GRRCstudysession>, 1:02:10 to 1:03:08 ("The changes in organization, the substantive changes and the changes in the underlying law are changes that alter the posture of this report and alter the posture of the order of expiration that you've postponed in such a way that, I think we've articulated in the letter, but just to rearticulate a new process would be advisable.").

As the Commission's objections have previously explained, the Commission's repeated resubmissions of five-year reports triggered a new analysis of agency's analysis under A.R.S. 16-1056(E). The Council never identified how the amendments to R2-20-109 or R2-20-111 failed to satisfy the plain terms of 1056(G), which permits a notice of expiration only if "the agency does not amend or repeal the rule [determined to be materially flawed under 1056(E)] by the date specified by the Council when it made the determination that the rule was materially flawed or the date of the extension, which cannot exceed one year from the original designation.

Open Meeting Concerns. I have two concerns about open meeting law issues relating to GRRC's executive session on June 6. First, when the Council's public meeting began, it was announced that the Assistant Attorney General who advises GRRC was recused from the Clean Elections agenda item because of a conflict of interest. This recusal was appropriate given the Attorney General's representation of both the Council and the Commission on other matters. Despite the announced recusal, however, the Assistant Attorney General actually attended the Council's executive session on the specific agenda item for which she was recused.

According to the Attorney General's Agency Handbook, the open meeting law limits who can attend an executive session for legal advice:

the only persons allowed to attend this executive session are the members of the public body, the public body's attorney, and those employees and agents of both whose presence is necessary to obtain the legal advice. The mere presence of an attorney of the public body in the meeting room is not sufficient to justify the use of this executive session provision. This provision can only be used for the purpose of obtaining "legal advice," which involves the exchange of communications between lawyer and client.

Here, because the assistant attorney general was not the Council's attorney for this matter, her presence in the Executive Session was not "necessary to obtain legal advice." She maintains that she was in the Council's executive session to provide procedural advice. But since she is recused from the matter because of a conflict, she has no proper role in an Executive Session on the Clean Elections issue, even if her legal advice is intended to be "procedural." Additionally, although Chris Klemminich's title is "staff attorney," I am not aware of any legal authority for him to serve as the Council's actual attorney. See A.R.S. § 41-192. I do not question that his presence may be permitted in the Executive Session, but it is not clear that he has the lawful authority serve as the public body's attorney.

Second, there was no mention during the public meeting of any the repeal or expiration of the rules that were the subject of the report yet Mr. Klemminich indicated immediately after the GRRC meeting that a repeal order concerning two of the three rules in the report that was under review would be issued. Again, according to the AG's manual,

the public body may not take a vote or make a final decision in the executive session, but rather must reconvene in a public meeting for purposes of taking the binding vote or making final decisions. For example, '[a] decision to appeal transcends 'discussion or consultation' and entails a 'commitment' of public funds. Therefore, once [a] Board [has] finished privately discussing the merits of appealing, the open meeting statutes require[] that board members meet in public for the final decision to appeal.' . . . Taking a straw poll or informal or preliminary vote in executive session is unlawful under the Open Meeting Law.

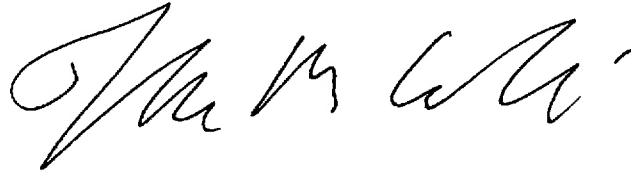
Id. (citations omitted).

The lack of discussion of any repeal at the public meeting leaves me questioning whether the Council exceeded the parameters for the executive session. And two days later, GRRC's chair signed a notice of the purported expiration of two of R2-20-109 and -111 as of June 7, 2017.

Status of the Rules and the Returned Report. Based on my conversation with Council staff after the June 6 meeting, my understanding is that GRRC may return at its next meeting to accept the Commission's report as to R2-20-110 and declare the Report moot as to R2-20-109 and -111 based on the GRRC expiration notice. We believe that the resubmitted report that addresses all three rules at issue satisfies the relevant statutes and should be accepted. As the Commission has long made clear to the Council, there are also significant substantive and procedural reasons GRRC's notice of expiration of Commission rules has no legal effect. We provided a notice to the Secretary of State's office alerting them of these concerns. In the Commission's view, all of its rules that are addressed in the resubmitted report remain in effect. We can lay out our legal concerns in more detail if it is helpful, but I believe those issues were addressed in our previous communications.

On behalf of the Commission, I request that the Council address the changes made in the resubmitted report, approve the report, and rescind the substantively and procedurally faulty notice issued June 8, 2017. In addition, I request that the Department of Administration preserve all materials related to the Clean Elections Commission in the event of litigation concerning these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom M. Collins', written in a cursive style.

Thomas M. Collins
Executive Director

Attachments

Timothy A. La Sota, PLLC

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

tim@timlasota.com

*17NOV 8 PM12:20 CCEC

November 8, 2017

Via email and hand delivery to:

Thomas M. Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, Arizona 85007
Thomas.Collins@azccleanelections.gov

Re: CCEC MUR 17-002

Dear Mr. Collins:

The American Federation for Children, Inc. (Respondent) is in receipt of and has reviewed the Proposed Conciliation Agreement for MUR 17-02 (Agreement). We appreciate the expedited treatment that you've afforded this matter and we are confident that it can be resolved quickly and amenable to the Commission and the Respondent. Respondent respectfully proposes as a resolution that in lieu of any fine, Respondent agrees to file with the Commission any reports on expenditures made for the Christine Marsh robocalls and will file reports with the Commission for any expenditures that it reports to the Arizona Secretary of State. In support of this, Respondent offers the following:

1. The cost of the expenditures at issue was \$1169.10, not \$2534.50. This amount can be established by the reports that were filed with the Secretary of State.
2. It is Respondent's position that the calls at issue in the complaint did not contain express advocacy and therefore were not independent expenditures required to be reported by either reporting "scheme," that of the Secretary of State—as provided in §§ 16-922(F) and 16-926(H), or of the Commission—as provided in §§ 16-941 and 16-958. In keeping with its commitment to transparency and to avoid distracting from the force and purpose of the calls Respondent reported the expenditure and sent a copy of the calls' text to a candidate mentioned in the call, but under Arizona law, the calls were not independent expenditures. As fully explained in their Response, Respondent's calls did not include express advocacy as defined under either subpart 1 or 2 of A.R.S. § 16-901.01. The reasonable meaning of the calls—considering the statute's factors—was to call attention to apparently illegal conduct by a notable and vocal opponent of Respondent's position on school choice in Arizona. Without acknowledging Respondent's

position that the calls were not express advocacy or analyzing the calls under Arizona law, the Agreement simply concludes that the calls were independent expenditures subject to reporting.

3. Even assuming, *arguendo*, that the calls included express advocacy, Respondents timely attempted to file a report with the Secretary of State, which is the proper method of reporting under both reporting schemes. That the report was not “accepted” was the result of the settings of the Secretary of State’s automated reporting system.

4. The alternative reporting requirement that Complainant argues was not met here depends on doubtful legal authority that by its own terms and in these circumstances did not trigger the reporting that the Complaint claims was needed but not made.

a) The alternative reporting on which the Complaint is based is of dubious legal authority. R2-20-109 is the only source of an alternative to the reporting that Respondents did—filing electronically with the Secretary of State. But the online Arizona Administrative Code maintained by the Arizona Secretary of State refers to this Rule as “DISPUTED,” noting that “The Governor’s Regulatory Review Council and the Citizens Clean Elections Commission dispute whether R2-20-109 has expired. Those interested in that issue should consult counsel.” The Agreement considers Respondents’ reporting as in violation because it did not effect alternative reporting according to a Rule that the State acknowledges is disputed.

b) Even if legally valid, the alternative reporting requirement, by its terms, is required only when “expressly provided by . . . another Commission rule,” or the Secretary of State’s “Internet-based reporting system, or the necessary function on the system, is unavailable, in which case the executive director shall implement a substitute process.” Neither of these exceptions to reporting to the Secretary of State apply here. There was and is no other Commission Order requiring reporting other than to the Secretary of State, as required under A.R.S. § 16-941(D). The Secretary of State’s internet reporting system was available and Respondents effected reporting by entering the correct information into the system, in the same way and using the same system through which it had continually reported, without incident, over the last 7 years. In sum, even under the disputed Rule, no alternative reporting was required, and Respondents had no reason to know that their attempted reports did not satisfy any applicable reporting requirement.

5. In keeping with its commitment to transparency and to avoid further or future distraction from effectively pursuing its mission in Arizona, Respondent agrees to file the alternative report that Complainant argues was not filed and to file alternative reports in the future with the Commission when applicable.

Therefore, it is Respondent’s position that

6. The amount of the expenditure at issue here should be corrected in the record.

7. Respondent does not agree to a fine because

Mr. Thomas M. Collins
November 8, 2017

a) the Commission has not shown that the expenditures here contained express advocacy and were therefore required to be reported;

b) Respondents timely attempted to file a report with the Secretary of State, which is proper under the reporting scheme alleged to have been violated;

c) The additional reporting requirement to the Commission, which is the basis of the complaint here, depends on a rule of legal authority that Arizona concedes is disputed;

d) Even if valid, the disputed rule requires a separate report to the Commission only when the Commission so orders or when the Secretary of State's web-based reporting is not available and the Commission implements an alternative reporting process, and none of these conditions are applicable here;

e) Respondent had no cause to know that its attempted reporting failed to satisfy a reporting requirement that both the plain meaning of the statutes and experience advised was not applicable;

f) Respondent has nonetheless agreed to report separately to the Commission both the expenditure at issue here and future expenditures,

In summary, the agreement resolving this matter should reflect the correct value of the expenditures at issue and that Respondent does not agree that the expenditures contained express advocacy or were independent expenditures. And because Respondent does not agree that the reporting is necessary under Arizona law and maintains that the reporting attempted was timely and sufficient under Arizona law, Respondent does not agree to pay a "mitigated fine," and instead proposes that its agreement to additional and alternative reporting to the Commission as described above is a fair and just conclusion to this matter.

Very truly yours,

TIMOTHY A. LA SOTA PLC



Timothy A. La Sota

COPPERSMITH
BROCKELMAN

LAWYERS

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Phoenix, AZ 85004-1009
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October 30, 2017

Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams Street, #110
Phoenix, AZ 85007
Thomas.Collins@azcleaselections.gov

Re: CCEC MUR 17-002 – Reply

Dear Director Collins:

We are in receipt of the American Federation for Children's ("AFC") response regarding MUR 17-002 filed by Timothy La Sota on October 18, 2017 ("Response"). We write today to address the arguments raised in the Response, and to respectfully renew our request that the Commission take action and impose civil penalties against AFC as requested in our October 6, 2017 complaint ("Complaint").

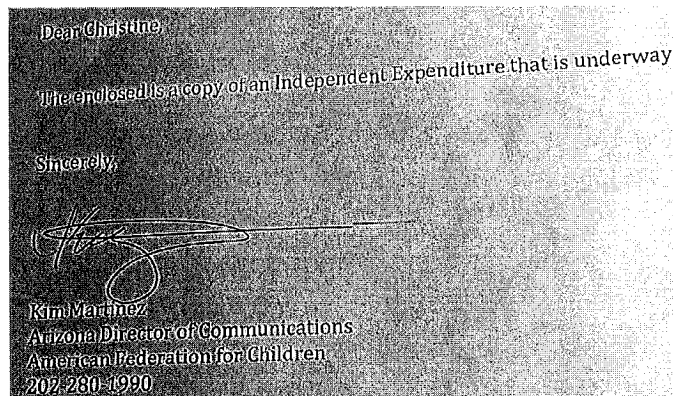
Regrettably, AFC uses the Response to escalate its smear campaign against Christine Marsh, a dedicated Arizona educator and candidate for the Arizona Senate.¹ But the Commission should reject AFC's invective and attempt to make the Commission a pawn in AFC's political campaign. In the end, AFC's violation of the Commission's enabling statutes and implementing regulations is clear on the undisputed facts set forth in the Complaint.

First, MUR 17-002 turns on AFC's violation of both statutes (*i.e.*, A.R.S. §§ 16-941 and 16-958) and Commission rules (A.A.C. § R2-20-109), which is apparent from the face of the Complaint. Our letter dated October 11, 2017 provided one point of clarification in the form of correcting a typographical error in the Complaint, and stated that the "*statutes* implicated by AFC's failure to report

¹ While AFC's conduct is disappointing, it is not surprising. AFC's campaign strategy has been (and continues to be) to spread negative and inaccurate information about Ms. Marsh in an attempt to impair her candidacy. The fact that AFC uses the Response as a platform to continue its negative campaign raises two issues: (1) the Response itself is an independent expenditure for which reporting is required; and (2) AFC's primary focus on its campaign talking points rather than the relevant legal issues highlights the weakness of its position.

are A.R.S. §§ 16-941 and 16-958.” (Emphasis added). It neither purported – as AFC suggests [at n.1] – to withdraw the Complaint’s reliance on A.A.C. § R2-20-109, nor implied in any fashion that this Commission rule is “invalid.”

Second, AFC does not dispute that: (1) it paid for the robocall in question (the “Robocall”), (2) its expenditure of funds for the Robocall exceeded \$740, and (3) it did not file an independent expenditure report with the Commission with respect to the Robocall. Most notably, AFC’s Response does not address the most critical fact that establishes that the Robocall was an independent expenditure – AFC’s own **admission** to that effect in an August 23, 2017 letter to Ms. Marsh. That letter speaks for itself:



[See Compl. Ex. A] This unqualified admission is all the Commission need consider in its review of MUR 17-002.

Third, AFC’s attempt to walk back its August 23, 2017 admission in the face of the Complaint must fail because the Robocall is not susceptible to any interpretation other than expressly advocating for Ms. Marsh’s defeat, and thus it qualifies as an “independent expenditure.” Under Arizona law, an “independent expenditure” is defined as “an expenditure by a person, other than a candidate committee” that both “(a) [e]xpressly advocates the election or defeat of a clearly identified candidate” and “(b) [i]s not made in cooperation or consultation with or at the request or suggestion of the candidate or the candidate’s agent.” A.R.S. § 16-901(31). And for its part, “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(A); *see also* A.A.C. § R2-20-101(11). The Robocall qualifies under either formulation.

We begin, as we must, with the script of the Robocall:

I'm calling from American Federation for Children with an alert about an elections scandal in this district. Christine Marsh, candidate for state senate, circulated a petition sheet which was later falsified and filed with the Arizona Secretary of State, a felony. Christine Marsh won't say whether it was she or someone else who broke the law by tampering with the document. Christine needs to come forward with the truth. Christine, stop hiding behind the 5th Amendment and come clean. Come clean Christine. Paid for by American Federation for Children, Inc., and not authorized by any candidate or candidate's campaign committee.

Initially, if AFC truly believed that the Robocall was not an “independent expenditure,” it would not have included the disclaimer required by A.R.S. § 16-925 in the spoken text. What is more, the Robocall specifically states the following, which taken together (or even separately) meets the test for an independent expenditure:

- identifies Ms. Marsh as a “candidate for state senate,”
- refers to an “elections scandal in this district,”
- implies that Ms. Marsh has committed a crime,
- chides Ms. Marsh for her alleged exercise of a fundamental constitutional right, and
- urges Ms. Marsh to “[c]ome clean.”

Perhaps if Ms. Marsh were *not* a candidate for office and the Robocall did *not* specifically state as much, AFC's *post hoc* suggestion that the Robocall merely “describe[s] serious questions raised with respect to . . . a hot-button issue” might be

believable. But AFC chose to frame the entire Robocall in the broader context of Ms. Marsh's candidacy, and to accuse a candidate of a crime in a communication that makes specific reference to her candidacy and district can have "no reasonable meaning other than to advocate" for her defeat.

Even if the Robocall does not qualify as an "independent expenditure" under Subsection (A)(1) (which it does), it nonetheless qualifies under Subsection (A)(2). As a threshold matter, AFC's half-hearted suggestion [at 4] that a robocall may not "fit within the type of communication that is specified" or that Subsection (A)(2) is "limited to broadcast" [at n.3] is belied entirely by the fact that the statute actually applies to any "general public communication." This broad definition plainly encompasses the Robocall. Putting AFC's initial misreading of the statute aside, the specific factors identified in Subsection (A)(2) for determining whether the Robocall "in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s)" all weigh against AFC.

The first factor requires an examination of "the presentation of the candidate[] in a favorable or unfavorable light," and there is little question that publicly accusing a person of a crime (even baselessly so, as here) is intended to place that person in an unfavorable light. Again, if the substance of the Robocall were truly "unrelated to her candidacy" [Response at 4], it would not have made specific reference to both her district and her candidacy for state senate. Nor would it have included a disclaimer, as required by A.R.S. § 16-925. Whatever truth there may be in the notion that all conceivable scrutiny of Ms. Marsh does not equate to "scrutiny of her as a candidate" [Response at 4], the more fundamental truth is that AFC would have no valid reason to spend thousands of dollars to defame a mere private citizen, and it did so here only because Ms. Marsh is a candidate for state senate.

The second factor turns on the "the targeting, placement or timing of the communication," all of which weigh in favor of the conclusion that the Robocall is an "independent expenditure." AFC does not dispute that the Robocall was targeted exclusively at (or placed exclusively to) voters in Legislative District 28, the district in which Ms. Marsh is currently a candidate. *See Comm. for Justice & Fairness v. Ariz. Sec'y of State's Office*, 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, and notwithstanding AFC's prolix protestations, the Robocall constitutes "express advocacy," and is therefore an "independent expenditure" as defined by Title 16 and the Commission's rules.

Lastly, AFC's claim that it "complied with all lawful reporting requirements" and that A.A.C. § R2-20-109 has "expired and is no longer in effect" is incorrect as a matter of law. Both you and the Commission are well aware of the ongoing dispute between the Commission and the Governor's Regulatory Review Council with respect to A.A.C. § R2-20-109, and in consequence, we will not belabor the point here. Suffice it to say that the Commission's position on this is clear and set forth in a document linked on the homepage of its website (<http://www.azcleelections.gov/File/330/Notice-on-Clean-Elections-Rules-109--111>), and AFC operated at its own peril by not complying with that rule.

Conclusion

As set forth in the Complaint and above, the Commission should impose civil penalties against AFC for its failure to report the Robocall as required by A.R.S. §§ 16-941, 16-958, and A.A.C. § R2-20-109.

Sincerely,



D. Andrew Gaona


DAG:slm

cc: Sara Larsen

STATE OF ARIZONA)
 :SS.
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 30th day of October, 2017,
by D. Andrew Gaona.





Notary Public

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damien R. Meyer
Mark S. Kimble
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

NOTICE OF COMPLAINT AND RESPONSE OPPORTUNITY
Via E-mail and Federal Express

November 2, 2017

Kim Martinez, American Federation for Children, Inc.
c/o Timothy A. La Sota
2198 East Camelback, Suite 305
Phoenix, AZ 85016
tim@timlasota.com

RE: CCEC MUR No. 17-003

Dear Mr. La Sota,

This letter is to notify you that on November 2, 2017, Andrew Gaona, filed a complaint against your client, American Federation for Children, Inc., (copy enclosed) with the Arizona Citizens Clean Elections Commission. The Complaint alleges American Federation for Children failed to file an independent expenditure report with the Citizens Clean Elections Commission. Arizona Revised Statute §16-941 and Arizona Administrative Code Section R2-20-109 requires any person making an independent expenditure of more than \$740 to file an independent expenditure report with the Citizens Clean Elections Commission.

Commission rules provide that upon the filing of a complaint that substantially complies with Arizona Administrative Code Section R2-20-203, notification must be given to each respondent. Ariz. Admin. Code R2-20-204(A). Additionally, the rule provides for an advisement of compliance procedures. Those procedures are set forth in Article 2 of the Commission's Rules (Arizona Administrative Code Sections R2-20-201 to R2-20-228) as well as the Clean Elections Act (specifically Arizona Revised Statutes Section 16-940 to 16-961).

The Commission's rules provide that a respondent "be afforded an opportunity to demonstrate that no action should be taken on the basis of a complaint by submitting, *within five days from receipt of a written copy of the complaint*, a letter or memorandum setting forth reasons why the Commission should take no action." Ariz. Admin. Code R2-20-205(A). *Your response must be notarized, or the Commission will not consider it.* Ariz. Admin. Code R2-20-205(C). Failure to respond to this complaint within five days may be viewed as an admission to the allegations. *Id.* **Please provide a response no later than Monday, November 13, 2017.**

This matter is in the initial stages of review. A finding will be made only after the Commission has fully reviewed this matter. Please contact me if you have any questions at (602) 364-3477 or by e-mail at sara.larsen@azcleanelections.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Sara A. Larsen", with a large, sweeping flourish at the end.

Sara A. Larsen
Financial Affairs & Compliance Officer
Citizens Clean Elections Commission

Enclosures

cc: Andrew Gaona

COPPERSMITH
BROCKELMAN

LAWYERS

D. Andrew Gaona
agaona@chlawyers.com
PH. (602) 381-5486
FAX (602) 224-6020

2800 N. Central Avenue, Suite 1200
Phoenix, AZ 85004-1009
CBLAWYERS.COM

November 2, 2017

Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams Street, #110
Phoenix, AZ 85007
Thomas.Collins@azcleaselections.gov

Re: Complaint Against American Federation for Children, Inc.

Dear Director Collins:

I write today to file a complaint with the Arizona Citizens Clean Elections Commission ("CCEC") regarding additional unreported independent expenditures made by the American Federation for Children, Inc. ("AFC"). AFC violated A.R.S. §§ 16-941, 16-958, and A.A.C. § R2-20-109(B) by making independent expenditures without filing a report with CCEC.

Specifically, beginning on or about September 29, 2017, AFC sponsored a "robocall" to certain voters in Legislative District 26 advocating against Representative Isela Blanc (the "Robocall"), who is up for re-election. Indeed, AFC sent a notice to Rep. Blanc by certified mail regarding what it admits was an "independent expenditure." [See 9/29/2017 Letter from AFC to Rep. Blanc, attached hereto as Ex. A (the "AFC Notice")] The text of the Robocall, as set forth in the AFC Notice, was as follows:

This is Johanna Ornelas, an Arizona mother and education advocate with the American Federation for Children. I'm calling about an elections scandal in this district. State Representative Isela Blanc, circulated a petition sheet . . . which was falsified . . . and filed with the Arizona Secretary of State, a felony. Isela Blanc won't say whether it was she or someone else who broke the law by tampering with the document. Now an ethics complaint has been filed against her at the legislature and the matter has been referred to the Attorney General for criminal investigation. Representative Blanc needs to stop taking the fifth and come forward with the truth. Paid for by American Federation for Children, Inc., and not authorized by any candidate or candidate's campaign committee.

Thomas Collins
November 2, 2017
Page 2

Notably, the AFC Notice included a "paid for by" disclaimer as required by state law for independent expenditures. AFC did not report this independent expenditure to CCEC by October 1, 2017 (nor has AFC reported it to date), and thus it is in clear violation of governing law.

We note that the Robocall's express advocacy is nearly-identical to that at issue in MUR 17-002, another complaint against AFC that is currently pending. The fact that AFC has now run two specifically-targeted robocalls against two current candidates for office with respect to the same subject matter should be more than sufficient to foreclose AFC's defense that the Robocall somehow does not constitute express advocacy.

I trust that you will conduct a thorough investigation, and that CCEC will impose civil penalties against AFC as authorized by Arizona law. Please feel free to contact me if you require any further information

Sincerely,

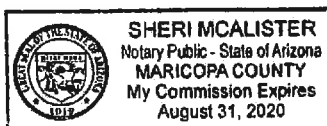


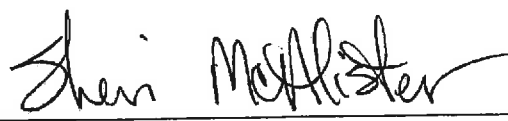
D. Andrew Gaona

DAG:slm
Enclosure
cc: Sara Larsen

STATE OF ARIZONA)
 :SS.
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 2nd day of November, 2017, by D. Andrew Gaona.





Notary Public

Exhibit A



AMERICAN FEDERATION
for Children

September 29, 2017

Isela Blanc
948 E Manhatton Dr
Tempe, AZ 85282

Dear Rep. Blanc,

The enclosed is a copy of an Independent Expenditure that is underway.

Sincerely,

Kim Martinez
Arizona Director of Communications
American Federation for Children
202-280-1990

Isela Blanc Robocal

This is Johanna Ornelas, an Arizona mother and education advocate with the American Federation for Children.

I'm calling about an elections scandal in this district.

State Representative Isela Blanc, circulated a petition sheet... which was FALSIFIED... and filed with the Arizona Secretary of State, a FELONY.

Isela Blanc won't say whether it was she or someone else who broke the law by tampering with the document.

Now an ethics complaint has been filed against her at the legislature AND the matter has been referred to the Attorney General for criminal investigation.

Representative Blanc needs to stop taking the fifth and come forward with the TRUTH.

Paid for by American Federation for Children, Inc. and not authorized by any candidate or candidate's campaign committee.

202-280-1985

Timothy A. La Sota, PLLC
2198 East Camelback, Suite 305
Phoenix, Arizona 85016
P 602-515-2649
tim@timlasota.com

November 13, 2017

Via hand delivery to:

Thomas M. Collins
Executive Director
Arizona Citizens Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, Arizona 85007

Re: CCEC MUR 17-003 (Isela Blanc Robocalls)

Dear Mr. Collins:

This firm represents the American Federation for Children ("AFC").

I write in response to your notification, dated November 2, 2017, informing my client that on November 2, Andrew Gaona filed a complaint against AFC, alleging that AFC failed to file an independent expenditure report with the Citizens Clean Elections Commission as required by Arizona Revised Statute § 16-941 and Arizona Administrative Code Section R2-20-109. Letter from Sara A. Larsen to Kim Martinez (October 6, 2017); Letter from D. Andrew Gaona to Thomas Collins (Sept. 28, 2017). The complaint alleges that AFC violated A.R.S. §§ 16-941, 19-958, and A.A.C. § R2-20-109(B).

Your original letter specified a response due no later than November 13, 2017. By counsel, AFC responds as follows.

The robocall in question is not an independent expenditure because it does not constitute express advocacy under the law. It does not, therefore, fall within the reporting required by A.R.S. §§ 16-926 or 16-941.

Even if the communication is an independent expenditure, AFC effected the reporting required by A.R.S. §§ 16-922(F) and 16-926(G) as well as by §§ 16-941 and 16-958.

Background

Isela Blanc has been active in the efforts to repeal SB 1431, the Empowerment Scholarship Accounts Bill which made all Arizona students eligible to apply for the state's school-voucher program. As part of these efforts, she gathered signatures to refer the law to the

Mr. Thomas M. Collins
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November 2018 ballot. That effort is a public issue, of course, that is of particular importance to AFC.

In the course of these activities, Rep. Blanc circulated Petition Sheet 08-01545. A true and correct copy of this petition sheet, as submitted to the Secretary of State, is attached as Exhibit 1. As can be seen from Exhibit 1, when the petition sheet was submitted to the Secretary of State's office, the box indicating whether the circulator was a volunteer or paid circulator had been checked.

However, the photos attached as Exhibit 2 show Petition Sheet 08-01545 in the possession of Rep. Blanc before it was submitted to the Secretary of State, with numerous signature lines already completed on the petition sheet but without a box checked indicating whether the circulator was a paid or volunteer circulator. This violates A.R.S. §19-101(D) and (E), which requires the appropriate box to be checked prior to circulating petition sheets and invalidates signatures obtained without a properly checked box. As the Arizona legislature has determined, the public is entitled to know if a petition sheet circulator is paid to circulate or is volunteering his or her efforts. But here, sometime after the signature lines had been completed, as shown in Exhibit 2, somebody tampered with the petition sheet by checking the volunteer box.

Arizona Revised Statutes § 19-119.01(A) states:

For the purposes of this title, a person commits petition signature fraud if the person does either of the following with the intent to defraud. . . . Uses any fraudulent means, method, trick, device or artifice to obtain signatures on a petition.

Marking necessary boxes and including necessary information after an individual has signed a petition sheet in an attempt to make a petition sheet appear as if it were properly circulated with all required information falls within this statute. In addition, a "person who acknowledges, certifies, notarizes, procures or offers to be filed, registered or recorded in a public office in this state an instrument he knows to be false or forged, which, if genuine, could be filed, registered or recorded under any law of this state or the United States, or in compliance with established procedure is guilty of a class 6 felony." A.R.S. § 39-161. In short, then, doctoring Petition Sheet 08-00823 to make it appear as if all legally required information had been included prior to circulating appears to be a criminal act.

American Federation for Children came to learn of this and reported it to the proper authorities. The Secretary of State's office has now referred this matter to the Arizona Attorney General, presumably for a criminal investigation.

To this day, Rep. Blanc has refused to shed any light on the actions above through a public comment.

The call at issue was not an independent expenditure under A.R.S. §§ 16-901(31) and 16-901.01 because the ad is susceptible to an interpretation other than as an appeal to vote against Rep. Blanc

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 agent¹.

A.R.S. § 16-901(31). The call at issue here did not expressly advocate the election or defeat of Rep. Blanc.

“Expressly advocates” means:

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 call did not expressly advocate under subpart (1) because it contained none of the enumerated phrases of advocacy and, in context, the words it does contain have a reasonable meaning other than to advocate the election or defeat of Rep. Blanc. They describe serious questions raised with respect to the handling of petition sheets for gathering signatures to refer SB 1431—a hot-button issue at the core of AFC’s mission—to a ballot vote. *See infra*.

There was no express advocacy under subpart (2) because even if they fit within the type of communication that is specified, again, in context, the calls have a reasonable meaning other than to advocate the election of a candidate considering the factors specified in subpart (2). The treatment of the petition sheets is, itself, a matter of public import—it is strictly governed by statute. The issue of whether SB 1431 will be referred to the November 2018 ballot, where it can be withdrawn, and with it, the expansion of school choice for all Arizona students—is an issue at

¹ Subpart (b) defines when a qualifying expenditure is truly “independent” and is not at issue here.

the core of AFC's mission. The most reasonable interpretation of the communication is that it is advocacy on these issues, not the candidacy of Rep. Blanc.

Now turning specifically to the factors provided in A.R.S. § 16-901.01², there are at least two reasons why the most reasonable meaning of the expenditure at issue here, then, is not to advocate the election of a candidate, but to bring attention to the hot-button issue of retracting the legislature's expansion of the voucher system in Arizona, and to point out that proponents of the referendum are not abiding by the laws governing the process—and that a high profile proponent may have information about a violation of those laws that she refused to divulge. This leads to a reasonable corollary meaning—showing the lengths to which the opponents of the legislature's expansion of vouchers to all Arizona children are willing to go to have their way.

The first factor to be considered is “the presentation of the candidate(s) in a favorable or unfavorable light.” Here, the light in which the candidate is placed depends on the views of the hearer, but more important, the light that is cast on Rep. Blanc in the call is unrelated to her candidacy.

The timing, targeting, and placement of the communication underscores that it is not Rep. Blanc the candidate that is at issue in the communications. The general election is still nearly a year away.

Finally, and most important, the United States Supreme Court has been clear in applying the “reasonable interpretation” standard—“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.” *FEC v. Wisconsin Right to Life, Inc.*, 551 U.S. 449, 469-70 (2007). As mentioned above, there are two highly reasonable interpretations of the robocalls that do not involve an appeal to vote against Rep. Blanc and the calls specifically called on her to say what she knows about the apparent criminal activity documented in this letter and the letter sent to the Secretary of State and Attorney General. (Exhibit 3). This is clearly enough to take the ads out of the “express advocacy” rubric and out of this Commission's jurisdiction.

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.” *Id.* at 469. Indeed, in applying the “no reasonable interpretation” test, the Court found that a focus on a legislative issue, urging the public to contact an official on the issue, the lack of mention of an election, political party, or challenger, and the lack of position on a character's character,

² Arizona law has two overlapping definitions of express advocacy. A.R.S. § 16-901.01(1) requires “magic words”—which are not present here, and as a secondary definition applies a “no other reasonable meaning” test. The alternative, § 16-901.01(2), is a rough approximation of the federal definition of an electioneering communication, said to be the “functional equivalent of express advocacy.” It begins with a limitation to certain media and targets, and includes the same “reasonable interpretation” test that is found in subpart (1). AFC does not concede that the call meets either the “media” provision (limited to broadcast, etc.) or targeting provision (requiring “targeting” of the candidate's electorate) but does not discuss them here because under the required “substance” test of either definition, there are more reasonable meanings of the communication at issue here than “to advocate for the election or defeat of . . . [a] candidate.” A.R.S. § 16-901.01.

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November 13, 2017

qualifications, or fitness for office “plainly” meant that the communication was not express advocacy or its “functional equivalent.” *Id.* at 470. The AFC call was not express advocacy under Arizona law and hence was not an independent expenditure subject to disclosure under §§ 16-922(F), 16-926(G) or by §§ 16-941 and 16-958.

AFC Effectively Fulfilled the Applicable Disclosure Provisions.

Even if AFC had engaged in express advocacy, AFC has complied with all lawful reporting requirements.

A.R.S. §16-941(D) provides:

Notwithstanding any law to the contrary, any person who makes independent expenditures related to a particular office cumulatively exceeding five hundred dollars in an election cycle, with the exception of any expenditure listed in section 16-920 and any independent expenditure by an organization arising from a communication directly to the organization's members, shareholders, employees, affiliated persons and subscribers, shall file reports with the secretary of state in accordance with section 16-958 so indicating, identifying the office and the candidate or group of candidates whose election or defeat is being advocated and stating whether the person is advocating election or advocating defeat.

In addition, A.R.S. §16-958(D) provides:

The secretary of state shall immediately notify the commission of the filing of each report under this section and deliver a copy of the report to the commission, and the commission shall promptly mail or otherwise deliver a copy of each report filed pursuant to this section to all participating candidates opposing the candidate identified in section 16-941, subsection D.

Within 24 hours of placement of the robocalls, AFC reported all information relevant to these calls, to the Arizona Secretary of State. In addition, though this is not required by Arizona law, notice was provided to Rep. Blanc of the calls as was previously required under Arizona law. In short, not only has AFC met its legal obligations, it has gone above and beyond that in the interests of transparency.

AFC understands that there is a dispute as to the efficacy of Arizona Administrative Code Rule R2-20-109(A). This rule purports to require separate reporting to the Clean Elections Commission:

In accordance with A.R.S. § 16-958(E), all persons obligated to file any campaign finance report under any provisions of Chapter 6, Article 2 of the Arizona Revised Statutes shall file such reports using the Secretary of State's Internet-based finance-reporting system, except if: 1. Expressly provided otherwise by another Commission rule; or 2. That system, or the necessary function on the system, is

unavailable, in which case the executive director shall implement a substitute process.

However, this rule has expired and is no longer in effect. In addition, even if the rule were still in effect, it conflicts with and goes beyond statutory law, which requires all reports to be made to the Secretary of State's Office under A.R.S. §§16-941 and 16-958. *See Ariz. Bd. of Regents v. Ariz. State Personnel Bd.*, 195 Ariz. 173, ¶ 9, 985 P.2d 1032, 1034 (1999) (“[I]f an agency rule conflicts with a statute, the rule must yield.”)³

In sum, then, even though not legally required to do so, AFC has complied with any laws that could possibly apply. The complaint alleging otherwise is without merit. Indeed, if the reporting scheme is as opaque and gap-ridden as the complainants' theory requires, it would be susceptible to a due process or other constitutional challenge. Free speech cannot be sacrificed because of gaps or confusing “workarounds” in regulation or reporting.⁴

One final note is that I would not concede that these calls cost enough money to come under the Clean Elections Commission's statutory jurisdiction even setting aside the arguments above⁵. As soon as I am able to complete all due diligence I will follow up with a more definitive response on this subject.

³ It should also be noted that the reporting schedule that the Clean Elections Commission has provided in its “Notice Regarding I.E. Reporting” is for 2016, and any 2017 reporting requirements as part of the Commission's purported powers under R2-20-109(A)(2) are very difficult to find on the Clean Elections Commission's website.

⁴ The official Arizona Administrative Code maintained by the Arizona Secretary of State refers to purported Rule 2-20-109 as “DISPUTED SECTION R2-20-109” and states that “The Governor's Regulatory Review Council and the Citizens Clean Elections Commission dispute whether R2-20-109 has expired. Those interested in that issue should consult counsel.”

⁵ See A.R.S. §16-941(D)(“Notwithstanding any law to the contrary, any person who makes independent expenditures related to a particular office cumulatively exceeding five hundred dollars in an election cycle, with the exception of any expenditure listed in section 16-920 and any independent expenditure by an organization arising from a communication directly to the organization's members, shareholders, employees, affiliated persons and subscribers, shall file reports with the secretary of state in accordance with section 16-958 so indicating, identifying the office and the candidate or group of candidates whose election or defeat is being advocated and stating whether the person is advocating election or advocating defeat.”)

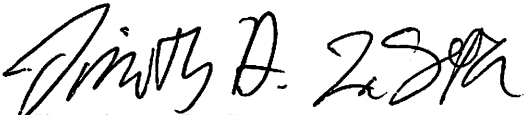
Mr. Thomas M. Collins
November 13, 2017

Conclusion

For all the reasons stated above, the Commission must dismiss this matter at this initial stage. AFC is not subject to the Clean Elections Act with regard to the robocalls at issue, and even if it were, it has met all valid legal requirements.

Very truly yours,

TIMOTHY A. LA SOTA PLC


Timothy A. La Sota

STATE OF ARIZONA)
) ss.:
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 13th day of November, 2017, by
Timothy A. La Sota.





Notary Public

EXHIBIT 1

08-01545 Front

Referendum Description

"It is unlawful to sign this petition before it has a serial number"

"PAID CIRCULATOR" "X VOLUNTEER"

This petition seeks to refer 2017 Laws, Chapter 139 (SB 1431), the principal provisions of which expand eligibility for Empowerment Scholarship Accounts (ESAs), commonly referred to as school vouchers; remove the existing ESA enrollment cap, and increase it annually by 1.5% of total public school enrollment through 2022; and cap ESA enrollment in 2023. SB 1431 includes other provisions, including but not limited to the administration of the ESA Program, distribution of ESA monies, and adoption of policies and procedures.

ice: This is only a description of the measure sought to be referred prepared by the sponsor of the measure. It may not include every provision contained in the measure. Before signing, make sure the title and text of the measure are attached. You have the right to read and compare the title and text before signing.

Petition for Referendum

The undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 1, relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Marijuana.

We, the undersigned citizens and qualified electors of the state of Arizona, respectfully order that the senate bill No. 1431, entitled An Act amending sections 15-2401, 15-2402, 15-2403 and 42-2003, Arizona Revised Statutes; Amending laws 2013, Chapter 250, Section 1, relating to empowerment scholarship accounts, passed by the fifty-third session of the legislature of the state of Arizona, at the general session of said legislature, shall be referred to a vote of the qualified electors of the state for their approval or rejection at the next regular general election and each for himself says: I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a qualified elector of the state of Arizona, county of Marijuana.

Warning

It is a class 1 misdemeanor for any person to knowingly sign an initiative or referendum petition with a name other than his own, except in a circumstance where he signs for a person, in the presence of and at the specific request of such person, who is incapable of signing his own name because of physical infirmity, or to knowingly sign his name more than once for the same measure, or to knowingly sign such petition when he is not a qualified elector."

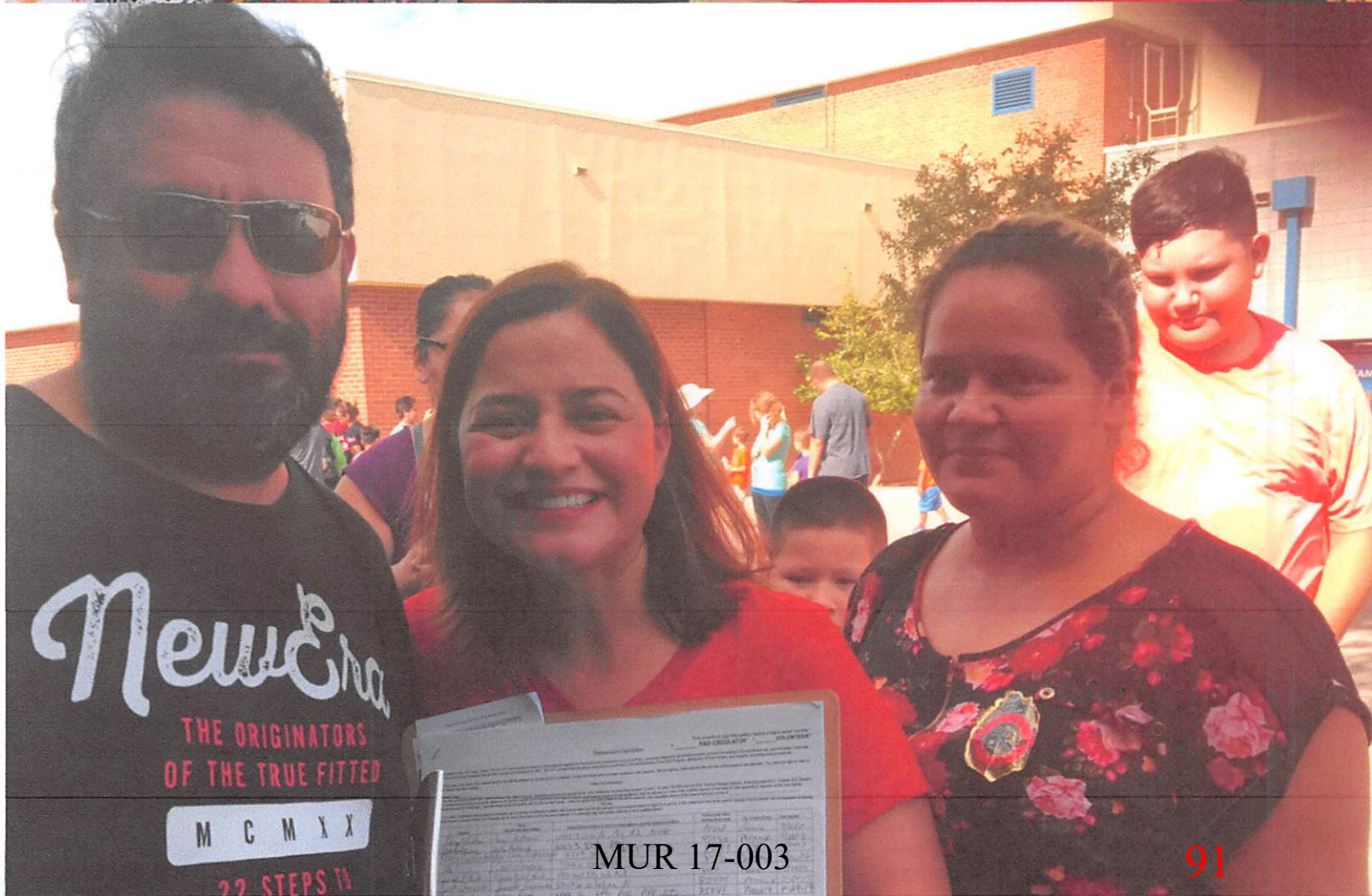
Signature	Name (first and last name printed)	Actual address (street & no. and if no street address, describe residence location)	Arizona post office address & zip code	City or town (if any)	Date signed
1. <i>Danny Andersen</i>	Danny Andersen	15419 S. 26th Pl. PHX, AZ 85048	85048	Phoenix	7/25/17
2. <i>Julie Anderson</i>	Julie Anderson	16809 S 33rd Pl. PHX	85048	Phoenix	7/26/17
3. <i>Nancy Andersen</i>	Nancy Andersen	16219 South 39th Pl. PHX AZ	85048	PHX	7/26/17
4. <i>Crispin Camacho</i>	Crispin Camacho	7449 E. Broadway Ave. Scottsdale	85250	Scottsdale	7/26/17
5. <i>Cipriano Gabriel Miranda</i>	Cipriano Gabriel Miranda	1833 West Alta Vista Road	85041	Phoenix	7/29/17
6. <i>Janeth Camacho</i>	Janeth Camacho	3908 W. Wilshire Dr.	85009	Phoenix	7-29-17
7. <i>Adam Reza</i>	Adam Reza	6842 So. 6th. Ave. PHX, AZ	85041	PHOENIX	7-29-17
8. <i>Maria Rodriguez</i>	Maria Rodriguez	514 W. Atlanta Ave PHX AZ	85041	Phoenix	7-29-17
9. <i>Roxanne Minjarez</i>	Roxanne Minjarez	514 W. Atlanta Ave Phoenix AZ	85041	Phoenix	7-29-17
10. <i>Naomi Pickett</i>	Naomi Pickett	3315 W. Fillmore St PHX AZ	85009	PHX	7-29-17
11. <i>Alejandra Garcia</i>	Alejandra Garcia	2638 N 61st Ave Phoenix	85035	Phoenix	7-29-17
12. <i>Naomi V. Bahena</i>	Naomi V. Bahena	6715 N 23rd Dr. Phoenix AZ 85015	85015	PHX	7/29/17
13. <i>Adrian M. Zilzgov</i>	Adrian M. Zilzgov	6838 W. Encanto Blvd.	85035	Phoenix	7/29/17
14. <i>Gloria Bustillos</i>	Gloria Bustillos	6802 N 67th Ave # 6105	85301	Glendale	7-29-17
15. <i>Liliana Lara</i>	Liliana Lara	715 E. Turney Ave Apt #1	85014	Phoenix	7-29-17

Secretary of State
Revised 07/09/2015

The validity of signatures on this sheet must be sworn to by the circulator before a notary public on the form appearing on the back of the sheet.

Number R-02-2018

EXHIBIT 2



MUR 17-003

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Steve M. Titla
Chair

Damien R. Meyer
Mark S. Kimble
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

MEMORANDUM

To: Commissioners

From: Tom Collins, Executive Director

Date: 11/14/17

Subject: Authorization Request to Enter Intergovernmental Agreement with Maricopa County

Voter Education Director Gina Roberts and the office of Maricopa County Recorder Adrian Fontes have been in discussions on ways to improve voter education for voters in this state by providing more information on a timely basis. To that end, I am seeking authorization to complete and enter an Intergovernmental Agreement with Maricopa County to set up an API or web service to provide voters with voter registration, district information, ballot status and polling place information through the Commission's various voter education platforms (i.e. smart phone app and web site). Our intention is simply to retrieve data that would be presented to the voter through existing services on the Recorder's website, and to present that data to the voter through our voter education tools. CEC would not be storing/retaining any of the data.

Examples of existing data include:

<https://recorder.maricopa.gov/pollingplace/>

<https://recorder.maricopa.gov/pollingplace/getdistrict.aspx>

<https://recorder.maricopa.gov/earlyvotingballot/voterregistrationlookup.aspx>

<https://recorder.maricopa.gov/earlyvotingballot/earlyvotingballotstatus.aspx>

<https://recorder.maricopa.gov/provisionalballotstatus/>

We currently have the ability to provide voters with their congressional, legislative and supervisorial districts (and therefore candidate information) across the state, and most recently have expanded to include council districts for the following cities: Phoenix; Mesa; Chandler;

Tempe; Gilbert; Glendale; Scottsdale; Peoria; Surprise. We accomplish this through a third party API (Cicero). Expanding our information base with Maricopa County ensures that all voters in that county can get information on candidates and elections.

I do not currently anticipate any cost to such an IGA. It will be reviewed as to form by the Arizona Attorney General's Office.

Citizens Clean Elections Commission Report

To: Commissioners

From: Clean Elections Staff

Subject: 2018 State Legislative Agenda

The purpose of this report is to outline the Commission's legislative agenda for the 2018 Arizona State Legislature Regular Session. After approval by the Commission, the agenda will provide guidance to Commission staff respecting the Commission's goals for the session. The session begins in January.

Staff will continue to brief the Commission, as it has in the past, on developments in the Legislature during the session. The Commission is expressly authorized to make recommendations on changes in law. A.R.S. § 16-956.

Principles and Priorities

Staff recommends that the Commission endorse the following principles and priorities for the session.

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, eliminate or limit 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. Staff recommends the Commission oppose legislation (in whatever

form) that seeks to defund, eliminate, or limit the CCEA and/or Commission.

This session, staff anticipates one or more bills that will invade the Commission's authority and likely violate the Voter Protection Act's terms requiring that amendments to the Act advance the purpose of the underlying Act.

- Superseding 16-941(D), -942(B) and 16-901.01: Legislation may be considered that requires independent expenditure reports virtually identical to those in 16-941(D) at all levels, including a redundant report at the state level. Likewise a supervening of A.R.S. 16-901.01 is anticipated. The VPA expressly prohibits superseding legislation without a three-fourths vote and without furthering the purpose of the act. Ariz. Const. Art. 1, Pt. 1, § 1(14).
- Limiting enforcement: The Legislature cannot, consistent with the Constitution enact legislation that limits the power of the Commission to enforce the Act or purport to make portions of the Act ineffective. This includes the power of the Commission to make rules governing the enforcement of the Act and production, distribution and development of Voter Education and other Clean Elections programs.
- Monitor Expanding the Elections Procedures Manual: The Procedures manual is being drafted currently. It is not clear (and will not be for some time) whether that drafting will lead to further potential legislative changes or their scope.

- Monitor Proposed Legislation Regarding Current Campaign and Election Laws: The Legislature continues to expand, contract, and tweak current campaign finance and election related laws. Staff will continue to monitor and support and/or oppose each action as it is introduced consistent with the principles in this memo.

Support Improvements to Voter Education and Access. The Commission has supported efforts to enhance voter education and participation through legislation that advances the anti-corruption and public participation values that undergird the Act. Staff recommends the Commission express its support for legislation that advances these aims.

***Proposed Meeting Dates
January - June 2018***

Month	<i>Date</i>	<i>State Holiday – Office Closed</i>
January	<i>18th</i>	<i>New Year's Day, Jan 1st & MLK Day, Jan 15th</i>
February	<i>15th</i>	<i>President's Day, Feb 19th</i>
March	<i>22nd</i>	
April	<i>19th</i>	
May	<i>31st</i>	<i>Memorial Day, May 28th</i>
June	<i>28th</i>	



During the months of January – June 2018, 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 IX