THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

REPORTER'S TRANSCRIPT OF PUBLIC MEETING

Phoenix, Arizona
June 22, 2017
9:33 a.m.

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09:33:16-09:34:15

PUBLIC MEETING BEFORE THE CITIZENS CLEAN ELECTIONS COMMISSION

ELECTIONS COMMISSION convened at 9:33 a.m. on June 22, 2017, at the State of Arizona, Clean Elections Commission, 1614 West Adams, Conference Room, Phoenix, Arizona, in the presence of the following Board members:

Mr. Damien Meyer, Acting Chairperson
Mr. Mark S. Kimble
Ms. Amy B. Chan
Mr. Galen D. Faton

OTHERS PRESENT:

Thomas M. Collins, Executive Director
Paula Thomas, Executive Officer
Sara Larsen, Financial Affairs Officer
Gina Roberts, Voter Education Manager
Mike Becker, Policy Director
Alec Shaffer, Web Content Manager
Amy Jicha, Legal Admin and VE Intern
Joseph Kanefield, Ballard Spahr
Mary O'Grady, Osborn Maledon (telephonic)
Kara Karlson, Assistant Attorney General
Dana Walton, ADLCC
Rhonda Barnes, House of Representatives
Christina Borrego, Riester
Valerie Ginzemberk, AZRA/LD23
Elizabith Brantley, AZRA/LD23 PC
Patricia Anderson, AZRA/LD23
Jeffrey Og, AZ Senate Research
Aimee Higler, AZ Free Enterprise Club
Alison Marciniak, AZ Advocacy Network
Representative Vince Leach
Tim Horn, LD23 & AZRA
Jim O'Connor, President, AZ Republican Assembly
Tom Sinyard, AZRA/LD23 PC
Nancy Oordwijk, AZRA/LD23
Scott Mussi, President, AZ Free Enterprise Club
Constantin Querard, Self
Barry McMahon, Representative Dila Blanc
Representative Athena Salman
Dana Walton, AZ Democratic Party
Joel Edman, AZ Advocacy Network
Rivko Knox, LNV/AZ

09:34:16-09:35:20

Commissioner Kimble: Second.

Is there a second?

COMMISSIONER KIMBLE: Second.

09:35:23-09:36:41

ACTING CHAIRPERSON MEYER: All right. We have a motion and a second to approve the Commission minutes from May 18th, 2017, and June 12th, 2017.

In favor, say aye.

(Chorus of ayes.)

ACTING CHAIRPERSON MEYER: Opposed?

(No response.)

ACTING CHAIRPERSON MEYER: All right.

09:36:41-09:37:23

There being no opposition, the minutes are approved.

On to Item Number III, which is discussion and possible action on the executive director's report.

09:37:23-09:38:05

MR. COLLINS: Yes, commissioner --

Mr. Chairman, commissioners. I'll be brief. I know we have a number of people here to talk about some of the rules and we're going to try to move through some of the preparatory stuff as quickly as we can.

Just to note that -- I really wanted to say really on a personal level and a professional level today is Amy Jicha's last Commission meeting, as she'll be leaving us in a few weeks to start law school at Emoroy. You know, all of us think that her contributions to the Voter Education Program has been invaluable. She has been responsible for translating our entire website to Spanish and she has been instrumental in the preparation for a roundtable on July 13th.

And so we're really -- you know, we'll be -- we're sad to see her go, but we're excited for her future as she goes to law school despite all of our arguments against it.

So thanks, Amy, for her service and we're pleased with that.

With respect to the roundtable, we're expecting around 100 folks there. We've got the Secretary of State's Office, all the county recorders and election directors. We have groups that work with voters on a nonpartisan basis but that represent different ideological stripes. We have -- the Arizona Advocacy Network will have a representation there.

Arizona -- Arizona for Prosperity -- or I'm sorry -- Americans for Prosperity, we believe, has RSVP'd. So we're trying to cover the gamut, and that will be focused on voter education and how to reach voters and how candidates can -- or not candidates -- how election officials and other groups who are working with voters can better be informed.

The last two things I really need to get through, we are working on some additional rule changes regarding candidate transactions and reimbursement to
the Clean Elections funds -- fund. These are transactions that are designed to make the process more cost efficient. We'll present these at a meeting this summer or early fall.

Just to give you an example of what we're looking at, there are circumstances in which the candidate's funds that need to be returned are returned by check on the candidate account rather than, for example, a cashier's check. Those may come back insufficient funds, and there's a point at which the amount of money that's involved is so little that there's really a question of whether or not the value to the fund is actually to let it go because the cost of recovering that -- that dollar is greater than the cost and the dollars to the funds.

So we're working on the nuances of that -- those kinds of things because we want to make the system as efficient and, therefore, consistent with the Commission's obligations to the fund.

The last thing I want to note is there is an article by Rebecca Sanders that's in your materials about changes Maricopa County is considering with respect to all mail voting. I highlight that for -- for two specific reasons. One, you know, as you know, the Commission works closely with the county and the Secretary of State's Office on voter education. We have the ongoing project on See the Money with the Secretary. We're working with the counties on, you know, looking at 2017 and how we build in correct and effective messaging to voters about how they cast their ballot, especially if -- in Maricopa County, which is the largest county, is going to proceed with this in 2018.

Now, I want to be clear on the record with the Commission, just as I was in our meeting with the County Recorder's, that the Commission has not taken a position on the plan, such as it is, that Mr. Fontes is going about implementing. And I have said to the County Recorder's, that the Commission won't endorse a position on the plan, such as it is, that Mr. Fontes is going about implementing. And I have said to the

(No response.)

SECRETARY OF STATE: Okay. Let's move forward to Item Number IV on the agenda, discussion and possible action on 2017 proposed meeting dates.

MR. COLLINS: Yes. Mr. Chairman, commissioners, we believe that these meeting dates work for your calendars. The only exec asterisk here is we are hoping that we do not have to have a July meeting and we do have the roundtable on July 13. So, you know, my goal is to cancel the July meeting, but in the -- you know, but we'll give you notice about that as soon as we can. We've reserved the date just in case.

The rest of these dates take us through the end of the year. The goal being to -- well, that's the goal. Unless you-all have objections to these dates, I'd ask you to move to -- I'd ask someone to move to approve the dates as outlined in Item IV of your

COMMISSIONER KIMBLE: Mr. Chairman?

COMMISSIONER KIMBLE: I would move that we approve the dates set for meetings July through
December.
3 a second?
4 COMMISSIONER CHAN: Second.
5 ACTING CHAIRPERSON MEYER: Thank you.
6 Commissioner Chan.
7 We have a motion to approve the Commission
8 meeting dates for the remainder of 2017 as set forth in
9 Item IV in our materials.
10 All in favor say aye.
11 (Chorus of ayes.)
12 ACTING CHAIRPERSON MEYER: Any opposed?
13 (No response.)
14 ACTING CHAIRPERSON MEYER: Okay. Motion
15 carries.
16 Item Number V on the agenda, discussion and
17 possible action on the 5-Year Review Report submitted
18 to the Governor's Regulatory Review Council and related
19 matters.
20 Mr. Collins?
21 MR. COLLINS: Yes, Mr. Chairman, just a
22 brief update. And Mary O'Grady is on the line in case
23 we need to get into any detailing of this.
24 We did, based on the authorization that you
25 provided at our June 12th meeting, submit a letter and

a -- a revised 5-Year Report to the Governor's
2 Regulatory Review Council on -- on the 20th.
3 We haven't -- we've got acknowledgment that
4 that was received. I haven't checked their website so
5 I don't know if we're on the agenda for the next
6 meeting yet, but that laid out both our -- our issues
7 with the process thus far, our issues with the specific
8 process on the June 6th meeting and then -- and then
9 addressed to the -- you know, the specific -- although
10 we don't think the council made any determinations on
11 the return, we did identify and adjust/amend the report
12 resubmitted to deal with the specific statements of
13 specific council members and so noted.
14 That's been submitted. We have final
15 copies we can -- we can get you on a disc if you'd like
16 them.
17 The only other thing I want to note is so
18 at this point, the Governor's Regulatory Review Council
19 will need outside counsel. They have proposed outside
20 counsel which is the firm of Ellman & Weinzweig.
21 That -- the AG's office, I think, out of at least an
22 abundance of caution has advised us that that firm has
23 a partner, Rob Ellman, who was solicitor general who
24 was involved in advising the Commission on issues that
25 are related to this matter.
25 kinds of intergovernmental conflicts.

24 COMMISSIONER KIMBLE: Mr. Chairman?

23 ACTING CHAIRPERSON MEYER: Go ahead,

22 Commissioner Kimble.

21 COMMISSIONER KIMBLE: Mr. Collins, do we know whether the council has notified the Secretary of State's Office that they believe these rules should be removed?

20 MR. COLLINS: Yes. In fact, the -- a couple of days after the last meeting, so I think June 8th, the council filed a report -- or a notice that purported to -- excuse me -- declare or state that R2-20-109 and R2-20-111 were -- I don't know if the word they used was repealed or eliminated or something like that. We filed a notice the same day stating the opposite. The latest we know from the Secretary's office is that the Secretary planned to publish both notices and, you know, at that point, you know, we're sort of -- we'll see what the next steps are.

19 I'm hopeful, given that the council ordered us to return the 5-Year Report to them and we've done that, that we will be back in front of the council and the council will come to the conclusion or realize that there are a number of substantive and procedural problems with the way that they have gone about this,

18 in addition to the fact that we continue to believe that they don't have jurisdiction over us in the first place and their jurisdictional assertions violate the Voter Protection Act.

17 So the layers of difficulty with, if you will, defending what -- the way that the Governor's Regulatory Review Council has newly asserted its superpower over Clean Elections are myriad and we've made a record, I think, on all of those issues and will continue to keep you updated as this progresses.

16 COMMISSIONER KIMBLE: Okay. But notwithstanding our differences with GRRC, as far as you know now, the Secretary of State does not plan to take any action to strike the rules?

15 MR. COLLINS: Let me -- let me put it this way. I have not checked the Secretary's website today. I printed the rules for purposes of the 5-Year Report off the Secretary of State's website on June 20th and the rules were there.

14 COMMISSIONER KIMBLE: So you haven't had any communication with them one way or the other about their intentions?

13 MR. COLLINS: Right, other than the public statement that they plan to run both notices. I don't know how they'll resolve that issue and when we get to that, you know, particular bridge.

12 My hope is that they'll -- and we -- you know, we can talk to them about this directly. That's something that I have to think through with Mary, but my hope is that because of the resubmission of the 5-Year Report and the related procedural problems with the assertions that GRRC is making, that -- that the Secretary's office will defer -- will wait to see how that plays out because I think that there are significant problems, putting aside again or reserving, as I say, all the constitutional and jurisdictional claims that we have reserved, with just the very process by which the Governor's Regulatory Review Council has gone about this.

11 And I'm hoping the Secretary, in an abundance of caution, will wait to see how that plays out. You know, as you know, we have a pretty good -- we've done a pretty good job of working through many of our issues with the Secretary's office so I'm hopeful we can continue to do that.

10 COMMISSIONER KIMBLE: Okay. Thank you, Mr. Chairman.

9 MR. COLLINS: And, Mr. Chairman, I don't know if anyone is here -- there's a lot of people here who are obviously here for public comment. I don't know if anyone is here for the GRRC issue.

8 If you are, let me -- let us know, please, because, otherwise, we might move on -- we'd like to move on to the issue, I think, most of the people are here for.

7 So -- okay. So that concludes my thoughts on this -- on this issue unless you all have any other questions.

6 ACTING CHAIRPERSON MEYER: Any other questions?

5 (No response.)

4 ACTING CHAIRPERSON MEYER: So we can move forward to Item Number VI, then, Tom?

3 MR. COLLINS: Yes. I would recommend that.

2 ACTING CHAIRPERSON MEYER: And that is discussion and possible action on rule amendment proposals.

1 Tom, I'm going to turn it over to you to sort of explain the procedure we're going to go through today.

1 MR. COLLINS: Sure. Absolutely. So, Commissioners, we have a number of folks here who are inclined to give public comment on these -- on these rule proposals. Just to frame this for purposes of --
1 of your action, there are three different issues that
2 we have presented before you today under this item.
3 The first is to make a final determination as to how to
4 amend R2-20-702(B), and we've articulated three
5 specific rules on that which we've described in your
6 materials as Option A, Option B and Option C. And I
7 think you should have some proposed motion language
8 that has a blank for the option.
9 When it comes to voting on this, there is
10 not a set rule. You -- you know, there's no real rule
11 on how we adopt the rules other that they be adopted at
12 an open meeting. The -- there are a couple of
13 different ways we could do that after the public
14 comment. You know, one would be a motion as I've
15 proposed the motion which is to move for one of the
16 options. Another way to do it would be for potentially
17 each Commissioner to say I vote for -- you know, to
18 vote for each -- the rule that they particularly like.
19 My personal view is the most efficient way
20 would be a motion on an option. I think the one issue
21 we run into is -- is not really an issue. These rules
22 are designed to be mutually exclusive, and so with that
23 in mind, you know, what we've done in the past is the
24 rule that moots the other rules, I think, is majority
25 terminates the rule process. That -- you don't have to

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1 purpose of the open the docket to do that down the
2 road.
3 So what I would suggest is that -- you
4 know, the issue becomes folks are going to want to talk
5 about one or another of these or they may want to talk
6 about them together. And my inclination and not
7 necessarily direction but for efficiency purposes, it
8 may be easier for folks to talk about what they prefer
9 on 702(B) and what they prefer on 702.01 [sic] as
10 their -- as comments. And then if they have -- and
11 then if they want to do -- if we need to do a round on
12 the public -- on opening the other docket public
13 comment, we could do that, if that -- if that makes
14 sense to everyone.
15 So if I was making public comment, for
16 example, I would say I like 702 Option X for this
17 reason and I don't like Option 702.01 [sic] for this
18 reason and that would allow discussion of both, I
19 think, pretty efficiently. I don't know how many
20 people we have who are actually intending to comment.
21 So, obviously, we'd like to be able to move through
22 this with some alacrity without being too, you know,
23 onerous.
24 So that's kind of how I see it. I don't
25 know if anyone -- if any -- if that makes sense to the
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1  MR. COLLINS: I think that's right. Yes.
2  ACTING CHAIRPERSON MEYER: Okay.
3  MR. COLLINS: And we don't have an order or
4  anything. So if you-all have -- if among those of
5  you -- I mean, we have Representative Leach here.
6  Obviously, we would defer to you, I think,
7  just as a matter of course, to go first if you're
8  interested.
9  MS. THOMAS: Please announce your name for
10  the record.
11  REPRESENTATIVE LEACH: I will do that.
12  Vince Leach. For the record, Vince Leach, 62927 East
13  Harmony Drive, Tucson. Also a member of -- a proud
14  member representing of the body of the House of
15  Representatives representing LD11, Oro Valley, Marana
16  and points north all the way to the City of Maricopa.
17  Mr. Chairman, board members and -- and
18  Mr. Director, thank you for bringing this forward.
19  By way of background, your director and I
20  had several discussions earlier in the year. I think
21  my record on Clean Elections and my record on -- as far
22  as being a Clean Elections candidate or being a
23  traditional candidate is fully documented either
24  through Facebook or many other -- many other -- and I'm
25  pleased to go into that. I think in the interest of

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1  death to protect it. In fact, if we ever had a fight,
2  Al and I, it was over the fact that I was running
3  traditional.
4  Be that as it may, as you know, there's
5  been several points of legislation over the last
6  several years to do several things to Clean Elections,
7  not the least of which was at least two bills this last
8  session, one of which were mine that was -- would do --
9  would make some changes. My bill that I came forward
10  with was basically to remove this portion that we are
11  discussing today with the first rule change. And I'm
12  going to talk only about the first rule change. I'm
13  going to let CQ and others talk on the -- on the
14  consultant rule change.
15  And I think, you know, the Commission today
16  has -- has the ability to be right. You can do and
17  leave the situation just as it is and let candidates
18  funnel money through political parties. I think the
19  optics for the program of Clean Elections and the name
20  of Clean Elections bears some tarnishment if that is
21  allowed to happen.
22  I think you are putting at risk a major
23  political party, and that would be the Republican
24  party, but one that's -- one that I think needs to be
25  talked about and I think I would -- I would ask that

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1  time, that's probably not in your best interest, but
2  let me say that I found it encouraging that when I
3  picked up the phone with your director, that he was
4  willing to take on the task, willing to talk with me.
5  We met. And I think as a result, if I played a small,
6  small portion of where we are today, I want to publicly
7  thank him for stepping up and bringing these -- these
8  options to us.
9  I have been a -- I'm in the third time
10  being a candidate. I am a traditional candidate
11  because my life is in a different position than many
12  other candidates that come and use the tool of Clean
13  Elections, and I understand that. I fully understand
14  it. We've had many great candidates come to the
15  legislature that use this tool, use the tool in an
16  effective way to do Clean Electioneering, if you will
17  say Clean Electioneering, but used for electioneering
18  processes.
19  And that has been successful for a long,
20  long time. There have been members in LD26 before when
21  that was still a district in southern Arizona that ran
22  clean. In fact, my senator, Senator Al Melvin,
23  probably carried the flag in southern Arizona as a
24  Clean Election candidate probably better than -- than
25  maybe some of the board members and will fight to its

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1  maybe some of the board members and will fight to its
2  and federal money runs into problems.
3  wrong. In fact, I think the commingling of state money
4  congressman that was running for CD1. I think that's
5  allowed to happen.
6  maybe a majority of the Republicans and certainly a lot
7  of the Independents that are frustrated as they see
8  public money going to political parties, be it the
9  party that I'm a member of, other political parties,
10  and maybe the Independents see no avenue for them to
11  avail themselves of that.
12  As I said, the optics of it in the
13  marketplace are bad. I used it as a campaign tool
14  against my opponent. My opponent, for whatever reason,
15  elected not to do many mailers. My opponent elected
16  not to put up any signs. It was funded through maximum
17  of Clean Elections money. That served me well and I
18  will continue to use that if that is the wish of this
19  Commission going forward to let candidates do that.
20  That candidate happened to run a post on
21  Facebook that she was going to run a commingled
22  election process with a U.S. senator and with a
23  congressman that was running for CD1. I think that's
24  wrong. In fact, I think the commingling of state money
25  and federal money runs into problems.
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1 The other thing that I would say is that
2 I've heard that the parties will -- can do this and the
3 parties can do that. We have free markets. So there
4 have been years and years and years of
5 candidates that have run under the Clean E
c6 Commission very successfully and using consultants,
7 using print shops from all over the state. So, you
8 know, I think it's a false nomer that we need this
9 money going to political parties because we need their
10 printing and we need this and we need that.
11 A free market, I think, would be best in
12 this particular -- particular case. I think that
13 without taking some action -- and even some of the
14 recommendations that you are making in your proposal I
15 think is going to put undue stress and maybe have to
16 add additional FTEs just to do the bookkeeping,
17 particularly -- I think it's Item C -- just to sort it
18 out. What is -- and what is adding profit? What is
19 adding markup? What is that? I'm not sure that that's
20 the goal. I'm not sure that's in the purview. I'm not
21 sure that it's in the capabilities of the Commission.
22 The other thing and the last thing I will
23 leave you with is that if this process is allowed to go
24 forward, you will see a growth, a tremendous growth of
25 this -- now that this loophole has been opened up and

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1 has been exposed to items that by your definition are
2 legal -- and that is voter -- getting out the voters,
3 sending money to the party to enhance voter
4 registration, having town halls, doing all that -- I'm
5 not sure that's where you want to go. I would argue
6 that's not where you want to go. I would argue again,
7 as I said at the beginning of my comments, you can be
8 right or you can do right.
9 In this particular case, I think you want
10 to do right and my -- my personal opinion is that you
11 would vote in A for -- I should say yes rather than A
12 because this would be confusing. I would ask you to
13 vote for Item B.
14 I would stand for any questions if you have
15 any.
16 COMMISSIONER CHAN: Mr. Chairman?
17 ACTING CHAIRPERSON MEYER: Yes,
18 Commissioner Chan.
19 COMMISSIONER CHAN: Mr. Chairman,
20 Representative Leach, thank you for being here. I know
21 that you had a bill this year, obviously, as you
22 mentioned, that you worked on to address this issue.
23 And hearing your concerns, you know,
24 concerns me as well. We did have testimony at our last
25 meeting from several elected officials who ran with

1 career started in your office at another department and
2 it served me well. I didn't -- my signatures went
3 through. You know, knowing the rules, playing by the
4 rules.
5 All candidates, whether you run traditional
6 or when you run clean, start from the same starting
7 point, okay? You either start gathering your 5s and
8 your signatures to access Clean Election money or, if
9 you run traditional, you start knocking on doors and
10 say I'm a candidate; I hope that I can gain your
11 support and can you give me 5, 10, $15? So all the
12 candidates start from square one, and they all start at
13 the same point drinking from a firehose.
14 And so candidates that put thought into how
15 they're going to run their candidacy have to prepare,
16 and that's one of the things that they have to prepare
17 for. They have to prepare for how they're going to get
18 their signatures. They're going to have to prepare for
19 how they're going to raise their money, how they get
20 their money, whether or not they're going to go clean,
21 what mailing lists are they going to work for. And
22 there's any number of lists. Now, 30 years ago there
23 was limited mailing lists. Now, unfortunately --
24 unfortunately, it looks like it's out on the cloud for
25 everybody to look at.
And so the voting lists are readily available from many, many sources. And if you're going to go -- this is my belief. If you're going to go into this world of politics and issue in policymaking, it is only one of the things that you're going to have to learn early on to use all your sources. That's what we do in the legislature. We have to figure out how is it do I get to the point that's going to help me to get from A to B, and I think that any candidate, whether you're a D, whether you're an R, whether you're an I and whether you're running clean or traditional, you start from that -- from that point.

You raise your hand in the Valley -- and CQ can probably tell -- tell me, but you raise your hand and say I'm a candidate and I need help, how many consultants do you think would run to them in a heartbeat and be able to supply you everything from mailing lists to -- to printing to whatever? I will talk about another subject briefly and that is independent expenditures. They seem to be able to come up with mailing lists, pretty accurate mail lists. They seem to be able to come up with -- I'm able to come up with mailing lists that affects me as to -- because we really have four elections. We have the early ballot election. We have the go-to-the-polls election. Then we have early ballots on the general and we have early and then we have final. So we know -- we as candidates have the availability -- at least my campaign has the availability of knowing who voted, who didn't vote, so do we use the phone or we use mailing. I hope that wasn't too long and convoluted, but we all start from the same point and a candidate -- now, we all may start from a different personal level, but when you -- when you sign on the dotted line over down the road that you are a candidate, there's got to be some prior thought, I would hope. I can't guarantee that, but I would hope that some prior thought was put into that.

COMMISSIONER CHAN: Thank you.

ACTING CHAIRPERSON MEYER: Commissioner Paton.

COMMISSIONER PATON: Hello. Thank you, Representative Leach, for coming to speak to us. I appreciate other perspectives. The last time -- the last meeting we had, we had multiple representatives come and say that I'm in favor of B myself, but they said that this is too hard. You're making things too hard. And I'm baffled by that statement that it's too hard to find a printer, to find the -- and B lets you go to the parties and get the mailing lists. They've done that for many, many years. I find no problem with that. So there's your mailing list. So the other aspects of running a campaign. I'm baffled by that. Could you speak to that? What would be too hard for these people to do this? They're -- they're -- it bothered me to see -- when we had a complaint, seeing, I believe, 10 or 12 candidates just writing checks to a party. And I feel like the party could have too much influence and force them to do things maybe they don't want to and you need to -- you need to pay us this money or we're not going to support you. That's kind of my -- my feeling. And I've had campaign experience years ago, and I know the parties can kind of knockle down on people that don't follow really what everybody else wants them to do in the party, the hierarchy or whatever.

So could you expand on that for me?

REPRESENTATIVE LEACH: Let me -- let me go back to one of your first comments and saying it's too hard. You know, I really, really like our founders. They made the system extremely difficult, and I truly believe that they knew what they were doing. I really do. I grumble most every day starting about January 13th until we sine die about the difficulty of getting something across the finish line at the House and the Senate. And then, you know, for a second the sweat goes off your brow and then you realize you've got the ninth floor to deal with.

Things are hard. They're designed to be hard. They're designed to be hard, I think, from the very beginning so that when you -- when you look at becoming a candidate that you're just not showing up and either getting -- getting -- getting money from a traditional source or getting money through Clean Elections. And then, you know, for a second the sweat goes off your brow and then you realize you've got the ninth floor to deal with. There are many sources, and I will go back to prior to when this issue became an issue here at Clean Elections, there were many good candidates, many good electives on both sides of the aisle that have utilized the system with -- with great degree of success both -- on both sides of the aisle with good people. So your system is working. What we've found
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1 here or what somebody has found here is what I believe 2 is a loophole in the system that needs to be fixed. A 3 fix -- I think that B does that as well as any other. 4 Mr. Paton, I'm not -- I'm sure -- did I 5 answer your question?
6 COMMISSIONER PATON: Yes.
7 REPRESENTATIVE LEACH: Thank you.
8 ACTING CHAIRPERSON MEYER: Any other
9 questions from any commissioners?
10 Thank you, Representative Leach.
11 REPRESENTATIVE LEACH: Thank you.
12 ACTING CHAIRPERSON MEYER: We very much
13 appreciate you coming and speaking with us today.
14 THE WITNESS: Always available. I
15 appreciate it. Have a good meeting.
16 MR. HORN: My name is Tom Horn. I live in
17 sir --
22 MR. HORN: My name is Tom Horn. I live in
23 North Scottsdale.
24 I am a Republican activist, PC captain,
25 first chair of LD23, first vice chair of LD23, state

10:16:11-10:17:15

1 So it seems to me the better thing would be
2 to consider turning that money back to Clean Elections
3 if it's going to be unused. It doesn't cost that much,
4 Tom Collins, executive director -- and I love that
5 name. We should go out and get a drink sometime, but
6 it seems like you'd be happy to get some checks coming
7 in that would be more substantial than a buck or two of
8 this money that's not used.
9 Now, here's the thing. If you guys don't
10 fix that hole, as a Republican activist I have to tell
11 you you're going to be flooded with a lot of new
12 Republican people coming out to do a similar thing that
13 our opposition party has been handily doing in recent
14 times. And that's not what any of us in Arizona really
15 want, is it? So hopefully you'll consider all these
16 things in your cleaning up of these -- of these options
17 and trying to clean up what money goes to political
18 parties and especially the leftover money that's not
19 spent by the candidates running under Clean Elections.
20 Thanks for listening to me. I appreciate
21 you being here.
22 COMMISSIONER CHAN: Mr. Chairman -- oh.
23 MR. HORN: Any questions?
24 COMMISSIONER KIMBLE: Mr. Chairman?
25 ACTING CHAIRPERSON MEYER:

10:17:16-10:18:25

1 Commissioner Kimble.
2 COMMISSIONER KIMBLE: I'm not sure what you
3 mean, sir, about leftover money.
4 Is there something in Option C that you
5 feel addresses leftover money?
6 MR. HORN: No. I like Option B.
7 COMMISSIONER KIMBLE: Okay.
8 MR. HORN: However, it's not as clear as I
9 would like to see it on money going to the political
10 parties. If it's leftover money, not expenditure money
11 but leftover money at the end of a campaign or someone
12 who drops out, where does that money go? And I've been
13 told that it's something that is going on to political
14 parties as opposed to coming back to you.
15 Is that not true?
16 COMMISSIONER KIMBLE: Well, just getting --
17 just addressing Option C, there's one sentence that
18 says all expenditures must be for the services used by
19 the particular participating candidate, but I would
20 like to ask Mr. Collins.
21 Is there some way that leftover money would
22 be -- would be given to a political party?
23 MR. COLLINS: Mr. Chairman, Commissioner
24 Kimble, under the -- all the rules that we have and
25 under the statute under 16-953, if money is not used
MR. HORN: Yeah.
but you know what I mean.
you think are going to be there are a person who has
make the decision that you're going to commit to run,
judge this, but if the decision is to make -- if you
So, you know, I'm not in a position to
candidate.
out is in some legislative races the legislative
decision to run somebody there even if they end up
losing significantly to the legislative candidate
because if you don't have anybody there and that
candidate is unpopular in that district, then you've
made a bad decision politically.
So it's hard -- we don't want to be in a
position of evaluating pre-election decisions based on
post-election results. That's not our job to do that,
but that's -- that's hard to avoid if you actually work
in politics as opposed to what we're -- what we're
doing, if that makes sense.

MR. HORN: It does, but to many of us, to
see the hole -- and I'll use optics, as Representative
Leach said -- the optics are bad and it's got to be
clear. We need to know what's going on. So if one
side is going to get away with that, then the other
side is certainly going to try. And I think being a
Clean Elections person and a taxpayer in Arizona, we
need to have no party or no one taking advantage of
this system. It's a beautiful system. Let's keep it
clear. We need to know what's going on.


ACTING CHAIRPERSON MEYER: Thank you,
Mr. Horn.
Any further public comment?
Sir, please state your name.
MR. O'CONNOR: Thank you.
Good morning, commissioners. My name is
Jim O'Connor. I was a recent candidate for chairman of
the AZGOP. Having lost that position on January 28th,
I was elected last month as the president of the
Arizona Republican Assembly, a very hard right
conservative Republican operation, oftentimes very
critical of the Republican party, but today I come to
speak on the issue and I stand behind Vince Leach and
Tim Horn who spoke earlier with their comments.
We the people are very interested in
keeping Clean Elections clean. That really sounds
good, feels good. It felt great in the shower this
morning being cleaned up to start my day. So with an
emphasis on this, there is the appearance of abuse, and
I know you're, I guess, constrained to vote on any one
of three options. A friend of mine reported Option A
draconian. If that has anything to do with dragons,
maybe every once in a while it's good to bring out a
dragon if it can keep us clean. I don't know that.

I'm not the analyst in the room and I have not done
10:18:30-10:20:07

1 for a direct campaign expenditure, it is -- it is --
2 the candidate must return it to the fund. So I think
3 that the issue that we're kind of talking around has
4 more to do with reporting than it has to do with
5 returning.
6 And what I mean by that -- and Sara can
7 clarify this if I'm incorrect, but oftentimes you'll
8 see a report of dollars having been spent that comes at
9 the end, but that doesn't necessarily tell you that
10 the -- that the -- it doesn't necessarily mean that it
11 was dumped into the party at the end. It is a question
12 of whether or not -- for example, if you have cash on
13 hand you probably -- you should -- you could make an
14 expenditure to whomever, provided it was for reasonable
15 value and for direct -- direct campaign contributions
16 or direct campaign expenditures.
17 The reporting issues, especially in the
18 case that we dealt with back in last fall, are
19 different from the substantive issue of whether or not
20 funds were funneled. And there's a little bit of a
21 disconnect there. I'll give you one specific example.
22 There was a candidate -- and it may have been even in
23 Representative Leach's district. I don't know -- who
24 had a $12,000 expenditure and didn't have -- had a very
25 loosey-goosey line item on that.

10:20:11-10:21:28

1 We had -- had Staff and Sara and Amy had
2 caught that and asked -- asked that candidate to
3 correct that, you know, prior to or at the same time as
4 the complaint. And that was really a reporting
5 accuracy issue more than a -- sort of a, you know, this
6 sort of argument that dollars were being funneled for
7 other purposes.
8 Another example that is -- you know, when
9 you look at these candidates and some of the arguments
10 that we've heard -- I just want to expand on this point
11 a little bit is was it rational for the -- for the
12 opposition party in a particular district to spend
13 money in a race. And one of the things that's become
14 clear to me as we look at the election data that comes
15 out is in some legislative races the legislative
16 candidates significantly outperform the federal
17 candidate.
18 So, you know, I'm not in a position to
19 judge this, but if the decision is to make -- if you
20 make the decision that you're going to commit to run,
21 as Mr. Leach points out, up front and the circumstances
22 you think are going to be there are a person who has
23 potentially very divisive -- I'd like a better word,
24 but you know what I mean.
25 MR. HORN: Yeah.
research on Options A, B or C. I'll leave that up to
the wisdom of others and your very competent Tom Collins over there.
So I just want to be on record on behalf of
the people that I represent in an elected capacity, as well as other Republicans, let's keep this thing really clean. My -- there was general information out in the state marketplace of ideas that a candidate could file to run clean, get the appropriate funding from the state and basically fake expenditures, or if they had -- let's say if they got 20,000 from the Commission and spent 10 legitimately and then withdrew from the race, that that candidate had the option to give the money to his or her political party and/or a particular charity of their choosing.
If you could correct that for me right -- well, if you could clean that up for me right now, I'd appreciate that.

ACTING CHAIRPERSON MEYER: Commissioner Chan.
COMMISSIONER CHAN: Mr. Chairman and Mr. O'Connor, thank you for that opportunity because that's actually for traditional candidates when they want to dispose of excess money from their campaign funds. For Clean Election candidates, they are required to return any unused money to the Commission's fund.
MR. O'CONNOR: Excellent. Thank you.

COMMISSIONER CHAN: Yeah. So I appreciate it, and I always love to have a dialogue because it really gives an opportunity. There are so many, you know, myths out there or misunderstandings, and I think it may be because we have traditional candidates and that's the way they dispose of their monies versus the -- the Clean Election candidates.
MR. O'CONNOR: I thank you very much for that.
COMMISSIONER CHAN: Thank you.

MR. O'CONNOR: Any other questions of me?
COMMISSIONER CHAN: Mr. Chairman?

ACTING CHAIRPERSON MEYER: Go ahead, Commissioner Chan.
COMMISSIONER CHAN: Actually, it's kind of more of a comment. So, Mr. O'Connor, you can -- you can stay up there or maybe other people have questions for you, but I'm actually very surprised to hear today what some of you have to say about the parties because I don't view the parties as special interest. I mean, I know they have their own special interest. There's freedom of association, you know, you're with like-minded. You want to elect your own people because you agree with those policies. I don't view that as a special interest.
I don't think of the parties as -- when I say -- when you say "special interest," it really has a nefarious connotation. I don't view the parties that way and I don't know if my commissioners want to differ with that, but in my mind -- and, you know, I think Representative Leach may be disappointed with how I -- how I view these different options and I'd like to continue the conversation just a little bit, but Option C protects and fixes the problem that occurred in Mr. Leach's race and really kind of requires the documentation or the clarity so that we don't have people just writing $10,000 checks to their party, you know, and that was definitely a problem, right?
And so to me Option C fixes that. I would love to hear why -- why there's a preference of Option B because to me it hamstrings our clean candidates versus the traditional. And, obviously, Mr. Leach made the point people make their mind up how they're going to run, and for me as a commissioner I want our candidates to be able to run without having one arm behind their back as far as their decision making. I think the documentation required in Option C does that, but anyway. So, again, perhaps that's more of a comment, but please feel free to respond.
MR. O'CONNOR: Thank you, Ms. Chan, I appreciate that interaction. That's very, very helpful all around I think even to those listening to us.
I want to say I have never heard of a political party that lacked an insatiable desire for more cash and contributions. So they're in the -- that's all they do. That's why they exist. To that end, political parties and just groups like all of us in this room getting together holding up a flag like that one we all salute. We're in -- we're in this together as citizens of the United States and citizens of the state of Arizona. After that we are not in the printing business. We are not in the flag business. We're not in the sign business.
As a Republican I like to leave that work to political consultants and to the private sector. If a political party jumps in and a candidate comes to me as a party chairman and says I want signs, all I'm going to do is go to the low bidder, get my signs, mark them up like any businessperson and then sell it to that candidate. So that's -- I'm a broker in a way.
I'm not needed as an R, a D, an I or -- there is another party -- Libertarian. Sorry. I forgot that.
1 So --
2 COMMISSIONER CHAN: And Green.
3 MR. O'CONNOR: Sorry about that one. Yeah.
4 Okay. So, again, it's in the way.
5 Relating to your state -- statement that
6 it's -- a special interest has an implication of
7 something nefarious, I don't -- in my experience I
8 don't take it that way. If somebody is representing
9 the teachers union, the teachers union needs
10 representation. They all do the same thing. They need
11 a voice. So they get somebody to watch the special
12 interest, to weigh in on what's in it for them, what
13 they're missing, what they need.
14 Same thing with the copper mines. They're
15 a special interest, but there's nothing evil about
16 that. If you're in the business of pulling -- mining
17 copper, you need somebody to come in the legislature or
18 a commission like this to speak on their behalf. So
19 it's not necessarily a bad thing.
20 COMMISSIONER CHAN: Okay. Thank you.
21 MR. O'CONNOR: Thank you all very much.
22 ACTING CHAIRPERSON MEYER: Thank you,
23 Mr. O'Connor.
24 Just going on what Commissioner Chan had
25 said about further dialogue, do any commissioners want

1 to care to add why they support a specific option?
2 I know Commissioner Paton, you indicated a
3 preference for Option B.
4 Do you want to share why?
5 COMMISSIONER PATON: Yeah. Well, at our
6 last meeting we -- I spoke extensively about I just --
7 I just feel like parties exert a lot of influence on
8 candidates and I've experienced it. Why are you
9 running against -- not personally, I didn't run, but
10 why are you running against incumbents and, you know,
11 why don't you wait your turn and this kind of thing.
12 And I just feel like the optics, as we
13 talked -- as Representative Leach talked about, when
14 this gets into the newspapers that Clean Elections is
15 allowing people to -- to write checks to parties, this
16 is -- this is going to tarnish Clean Elections, in my
17 mind, that -- like they're calling it optics. That's
18 really what the situation is.
19 So the main thing is people are saying it's
20 too hard. I just don't understand the too hard. You
21 want to represent the state and be a leader in the
22 state and you can't find a printer. You can't find
23 somebody to help you knock on doors. You can't do
24 this. You can't do this without the party -- writing a
25 check to the party to have them do it? I find that

1 Commissioner person or the governor or whatever, you
2 have to plan this out. That is part of the hoops you
3 have to go to to prove that you're a hardened person,
4 that you can fulfill your duties, that you have been
5 challenged.
6 And that was my beef with the other -- with
7 the reducing the amount of $5 contributions. You
8 should go door to door. You have to be challenged by
9 the voters. You have to -- it seems to me people want
10 to do this the easy way and this shouldn't be easy. It
11 should be difficult because you are representing
12 hundreds of thousands of people. Why should people
13 support you if you're unwilling to go see them, if
14 you're unwilling to do the hard things that it takes to
15 be a good leader?
16 You don't want -- you know, I taught
17 school. I've heard all kinds of excuses for 28 years.
18 I coached for many years. It took me two and a half
19 years to win a game in softball when I first started on
20 the -- at the reservation and I ended up winning six
21 conference championships. It was hard, but we had to
22 work. We had to do whatever we needed to do. And so,
23 anyway, that's my -- my beef.
24 ACTING CHAIRPERSON MEYER: Any other
25 Commissioners want to weigh in or should we go on with
MR. SINYARD: Sorry.

ACTING CHAIRPERSON MEYER: Can you stay at the podium, please? I think Commissioner Paton has a question for you.

COMMISSIONER PATON: So since I'm interested in B, why -- why are you -- why do you think that B would not -- so that they couldn't buy voter lists from their party?

MR. SINYARD: I think despite how you write the rules, unless you have some vigorous enforcement, it will just by nature slide into misuse of the funds.

COMMISSIONER PATON: Okay.

MR. SINYARD: And I think most citizens here are suspicious. And "optics" is not one of my favorite words, but the optics are terrible.

Any other questions?

ACTING CHAIRPERSON MEYER: No. Thank you.

Thank you, sir, for your comments.

MR. SINYARD: Okay.

ACTING CHAIRPERSON MEYER: Any additional comment?

I think you were next -- hold on one second.

I think you were next -- hold on one second.

MR. SINYARD: Sorry.
1 work is done. So we really have to be very, very
2 careful and very -- and careful with our monies.
3 And just on another side, I attended the
4 County Recorder's meeting last night, and they were
5 asked by somebody there how some of this new funding is
6 going to be paid for. And people were told that the
7 Clean Elections Committee is going to be paying for
8 some of the things that the County Recorder is doing.
9 Maybe you don't know that. Maybe you do know it, but I
10 thought I'd advise you that that was a public statement
11 last night at the meeting.
12 MR. COLLINS: Mr. Chairman, if I could just
13 address that real quickly.
14 ACTING CHAIRPERSON MEYER: Ms Ordowski,
15 please stay at the podium.
16 Go ahead.
17 MR. COLLINS: Yes. We have, in fact,
18 worked with the County Recorder's on education around
19 that issue. So we are -- we do have a plan to make
20 expenditures related to explaining to voters how they
21 ought vote. As I've said in my earlier comments,
22 that's --
23 ACTING CHAIRPERSON MEYER: The procedures
24 of how they cast their votes.
25 MR. COLLINS: The procedures. I'm sorry.

1 MS. ORDOWSKI: I understood.
2 MR. COLLINS: The procedures of how they
3 ought to vote which is our obligation. I have
4 made it clear to the County Recorder's and to the
5 Commission here that that's our obligation, but it
6 doesn't mean that we are endorsing the County
7 Recorder's actions.
8 And we really would need -- and I said this
9 to them at a separate meeting, that we would really
10 need a proposal that actually outlines what the -- you
11 know, what the basis for the decisions are and how they
12 plan to go at implementing them on a long-term basis
13 and what the legal justifications are that -- before I
14 could bring that to the Commission for purposes of, A,
15 determining whether or not it's the Commission's
16 business to have an opinion about that and, B, to
17 express an opinion about that.
18 So the Commission does have an obligation
19 as the voter education -- part of our voter education
20 mandate to, you know, participate in educating folks.
21 There is a distinction between education and
22 endorsement. I know that may not be clear on the
23 surface of things, but it's very important. That's why
24 I brought it up in my comments to the Commission and
25 MS. ORDOWSKI: That's why I brought --
1 money to parties?
2 MS. ORDOWSKI: To transfer money to the
3 parties.
4 COMMISSIONER CHAN: Okay. All right.
5 Well, thank you very much.
6 ACTING CHAIRPERSON MEYER: Thank you.
7 Mr. Collins?
8 MR. COLLINS: Yes. Mr. Chairman, I know we
9 have Mr. Mussi who I think would be good to go next.
10 I need to make a public announcement. We
11 have been notified the water has gone out in the
12 building and we are -- so if you need to use the
13 restroom, the closest building is.
14 COMMISSIONER CHAN: DOA?
15 MR. COLLINS: Probably DOA, but they've got
16 DOA pretty well locked down these days, or maybe next
door at the -- I don't know what's next door, actually.
17 Yes?
18 MS. THOMAS: Tom, I don't know how many
19 buildings are affected. You've got the city of Phoenix
20 right here. It's a major water break.
21 MR. COLLINS: Okay.
22 MS. THOMAS: So I don't know --
23 MR. COLLINS: All right. All right.
24 ACTING CHAIRPERSON MEYER: So all public
25 comment will be limited to two minutes.
26 MR. COLLINS: So Mr. -- Mr. Chairman, I
27 know that there are a couple other folks who want to
28 talk. I would like to get to Mr. Mussi and Mr. Querard
29 and then maybe we can move on to anybody else who needs
30 to talk because I think Mr. Mussi and Mr. Querard
31 have -- have some specific points that they want to
32 make and have been involved on this issue, as has
33 Representative Leach, and so I really would like to
34 make sure that we get them in before -- before too
35 long. So that's my preference as far as order, if
36 that's okay with Mr. Mussi and Mr. Querard.
37 So you're --
38 MR. MUSSI: Thank you, commissioners. My
39 name is Scot Mussi. I'm president of the Arizona Free
40 Enterprise Club, probably often labeled as one of those
41 evil special interest groups which often is in the eye
42 of the beholder. My definition is it's basically any
43 organization that has -- has a cause or a belief or
44 engagement where people are organizing, it would fall
45 under the definition of special interest group. You
46 might like them. You might hate them, but they're a
47 special interest group.
48 I always find it entertaining when
49 reporters would write stories and call one organization
50 special interest and one organization an advocacy group
51 or when they -- when two people are advocating for
52 something at the legislature, one is an activist but
53 the other one is a special interest lobbyist.
54 COMMISSIONER CHAN: So I was right to say
55 it was a nefarious connotation.
56 MR. MUSSI: Yeah, it's always -- I mean, it
57 is, but I mean, you know, it's just always -- it's
58 always how it's just spun, but the reality is, you
59 know, any organization in my belief is a special
60 interest group which isn't a bad thing. I think that,
61 you know, if people want to get together, organize,
62 exercise their first amendment rights and their right
63 to free speech, they have a right to do that.
64 Our organization, in looking at this issue
65 and examining it, you know, we did a lot of research
66 over the fall and found that this was pretty much a
67 widespread abuse where money was getting funneled to
68 the -- to one -- to the Democrat party and we kind of
69 watched as it played out. Our belief is that Option A
70 is probably the only responsible option and appropriate
71 action in dealing with this issue. And I'll get into
72 that. And the reason is that there's no good public
73 policy reason for the -- to allow for the practice.
74 The parties themselves as an interest group
75 are the only interest group that can profit off of this
76 arrangement. You know, I know with Clean Elections, I
77 think people like to say when Clean Elections came
78 around, it was, you know, people knocking on doors and
79 getting 5s, which does happen.
80 And that occurs and that's part of the
81 system, but make no mistake, you know, labor unions,
82 trade associations, other organizations, we don't
83 participate in this but assist with candidates in
84 collecting their $5 qualifying contributions. They go
85 out to their members, make sure they collect them, help
86 them in the system to get qualified for their money.
87 Prior to Clean Elections, they would
88 probably write them a PAC check or solicit their
89 members to write them direct contributions. Now
90 they're just assisting them in going and collecting
91 their 5s and doing that. Totally lawful. Totally
92 allowed, but they're not -- they're not doing it
93 because they're altruistic. They're doing it because
94 they support and believe in that candidate. They want
95 to help them get elected to that specific office.
96 The difference here is the state parties.
97 They have the infrastructure, just like a lot of these
98 groups -- in fact, more so. They have the best
99 infrastructure in the state to engage in this practice,
1 but then simultaneously can act as a vendor to get the money back. No private associations can go and do that and then turn around and say, well, we're going to be your vendor. And if they do it, they do it even at their own peril and will probably get into a lot of trouble in engaging in such an activity. The party is the only one, and so there's no reason to allow for this practice to continue.

9 And some of the specific examples that are brought up, you know, well, the party is providing all these things. Well, one example is, you know, charging for political events. In my experience, usually candidates or elected officials never pay to go to political events related to parties. They don't -- they rarely do, if ever. That's just been my experience watching it. When it comes to -- when it comes to voter information, the reality is most voter information you can get for free.

19 I don't engage with a lot of candidates on a direct level running campaigns anymore, but back then when I did, I volunteered to help people out with campaigns, a lot of times shoestring campaigns. We got voter lists for free. We didn't pay anything. We could go to the party who would provide it for free or we'd work with the county or others and try to make sure that we can get the lists that were needed to help them with their candidate.

3 I ran as a PC once. I'm retired. So I'll never be a PC again, but the voter list that I used was from the party to go around and know who the -- you know, registered voters were in my neighborhood so I can become a registered PC. All this information can be acquired but at no cost. Lots of -- or you can hire, you know, a hired gun -- one sitting right behind me -- that you can use and they all have a lot of lists and they don't charge a lot of times for these lists because they have the lists themselves and they'll use them and that's part of the process.

14 And on a logistical support, well, frankly, if you're a political party and you don't exist by the very nature to provide logistical support, then you should just disband because that's the only reason you're really there really is to provide lists and logistical support and do those things. If you're not doing that, then you have no reason to exist to help these candidates out.

22 Under state law and federal law the political parties have engineered the system where they are exempt from most of the campaign finance laws that everybody else is handcuffed to. They have far more flexibility to raise money, do things, have events and generate war chests that private organizations cannot do. And if they're not using that money to assist the candidates -- and the only reason the party exists is to get the people under that banner to win, then why do they exist? There's no reason that any of this money should be going to political parties.

8 In conclusion I'll just say, you know, this doesn't address the abusive spread. I mean, the road map is there. There's several districts that are rather uncompetitive, difficult to win, and so they're long-shot campaigns. Why not use your infrastructure that you have in place, help that candidate out collect their 5s, which you can do, and help channel them to that candidate, get them qualified. And then if you opt -- opt for B or C, charge them five grand for a voter list they probably could have got for basically nothing or free.

19 And how are you going to measure that? I mean, how do you value a voter list from the party? I can just say it's five grand. Why not? I'll just do that for all the candidates. It will be a standard rate. We'll assist you to get your money, get your 20 -- a little over 20,000 bucks. We'll charge you five grand. How are you going to prove that that's the appropriate amount charged for that list when the reality is you hired a consultant? You -- you know, normally you go work with the county. You work with the county. You work with other people. You have friends. You can get those lists for practically nothing or free which in many instances I was able to get them for free.

7 So with that, I believe Option A is the only appropriate option.

10 COMMISSIONER KIMBLE: Mr. Chairman?

11 ACTING CHAIRPERSON MEYER: Commissioner Kimble.

13 COMMISSIONER KIMBLE: Mr. Mussi, a couple questions. First of all, you said there's been widespread abuse.

16 Can you detail some instances of this abuse, in what races and how there was abuse?

18 MR. MUSSI: Well, we did an analysis and looked through all the campaign finance reports in the pre general back in the fall and found instances where in an aggregate over $80,000 had been channeled to the Democrat party. The Republican party, I couldn't find any instances of any direct funds going to the Republican party. It was all on the Democrat side.

25 Post general, a follow-up look, it was over $100,000.
1 One specific candidate gave over -- gave 30,000 bucks for -- to the state party. And so I've never seen -- was that a traditional candidate or a clean candidate?

2 MR. MUSSI: Clean candidate.

3 ACTING CHAIRPERSON MEYER: Okay. Thank you.

4 MR. MUSSI: Clean. And, again, I couldn't find anything on the other side of the ledger, which if I'm on the other side of the ledger and I'm the Republican party, I'm going this is a great idea. We've got to get into the business. And -- and they will. I mean -- and if you allow them to charge for voter lists and the logistical support, whatever that is, which they shouldn't be charging for at all -- that's -- I mean, frankly, that's what parties exist for, they're going to keep doing it. And why not?

5 COMMISSIONER KIMBLE: Okay. My second question, if all this information is available for free, nothing in any of these options requires candidates to buy it from a political party. If they can get if from somewhere else for free, fine. I don't understand what your objection is. This gives them the option to get it from a political party, but if they can get it from someone from free. We're not -- none of these options say you have to get it from political parties and you have to pay their rate for it.

6 MR. MUSSI: Well, and to that point, my response to that would be is that's how a lot of these things will work because you're dealing with people that aren't experienced. May be they are just a party activist. They're involved with the party and the party asks them, hey, if you run we'll help you with your campaign and we'll do all those things. And so when you get into the race, the party goes to them and basically because they're the ones that assisted them to help them run, they have an inside track to get access to that money.

7 And from the -- from that person's perspective -- I know that they can get the list for free, but if the party is telling them the list costs $5,000, that's the only thing they know. And so they're going to rely on that -- that source of information, that guidance that they're getting from the party. So what will end up happening is, sure, maybe the party will run some candidates and they run ten and eight choose to buy the list. The two do some due diligence to find that they're getting ripped off by the party, that's -- from the party's perspective, that's worth the risk.
any questions? Commissioners Chan?

MR. COLLINS: Can I --

COMMISSIONER CHAN: Oh, not for Mr. Mussi.

MR. COLLINS: Mr. Chairman, I just wanted

to make -- to amplify one point that Mr. Mussi made

with respect to the parties that is relevant to this

discussion which is -- well, there's two points,

really. One, he's correct that under the bills that

passed in 20 -- was it '16 now? The parties have much

more flexibility in who they can raise money from and

that they can then use in coordinated campaigns with

candidates. They can't write direct checks from

corporate accounts to candidates, but they can run

coordinated campaigns with nominees.

And that's new and that's expanded, and our

rules, consistent with 1516, recognize that. So there

is, in fact, a mechanism, if you will, for parties --
it kicks in under the law once you've made it to the

nominating process, but that does exist. That's a --

that's a correct statement of the law as I understand

it as well.

The other point I wanted to summarize
quickly before, I guess, we'll move on to Mr. Querard,
I assume, is, you know, all of these rules are premised
on the idea that we're talking about clean funds. So

there is seed money that you could spend on all of
these rules just like any other candidate could and
that money remains available to you to spend however
you choose because if you don't qualify that money is
just contributions.

Finally, we do hope -- and I can -- after
we're done with the public comment I'd like to revisit
some of the nuances of C versus B, but I do want to
mention that the next item is the audit -- is the
expanding of the audits which I think is an important
context here because if the concern is that there are
funnelings and rip-offs and all these things that we
haven't been able to establish in the past, we are
doing what we can within the -- on the back end to
ensure that there's -- those things do get caught.
So that's some context, but I do want to
make clear that I think Mr. Mussi is absolutely correct
about the parties' broader abilities under -- under
state law now to raise money from different sources and
channel that money through to their nominees in certain
ways.

ACTING CHAIRPERSON MEYER: Mr. Mussi, go
ahead.

MR. MUSSI: Yeah, just one last comment on
that. I believe that even prior to that they've had --
investigation was versus whether or not it was good, but that having been said, whether -- whether you think that our work product was sufficient and whether or not the Democrats provided sufficient evidence, regardless of whether or not that is true, it doesn't eliminate the issue which I think folks are talking about which is the perception issue and the fact that if you're having a Clean Elections system, you do -- as much as you might not like the word "optics," it's not wrong to say that they're optics.

Now, when we're done with the public comment, I will have a few more things to say about Option C that go to that optics issue, but I don't think anyone is going to sit here -- and I certainly can't deny that based upon, you know, Mr. -- or Representative Leach's proposals, Mr. Querard's complaint and Mr. Mussi's reporting, if you will, that there's not a perception issue that you know, we have on our plate. That just exists. That's just the reality.

COMMISSIONER CHAN: And, Mr. Chairman, Tom, is it accurate -- or I don't know if you know this off the top of your head -- that there were no such payments to the Republican party by clean candidates?

MR. COLLINS: Well, we certainly --

Mr. Chairman, Commissioner Chan, we certainly didn't get a complaint on that. We got some complaints against Republican leaning independent expenditure groups for reporting. Those issues were all resolved by either conciliation or, in one case, a dismissal by me based upon that group's filing reports. And, in effect, they were in the process of winding down. And it was -- you know, we had -- so the complaints we got against sort of what I would call Republican leaning as well as one of the leadership PACs, the Republican party -- maybe two of them -- and then one leadership PAC that belongs to Governor Brewer that was winding down, those were all resolved by conciliation and/or my own dismissal based on my assessment of the -- of their compliance, but not complaints along the lines of that which Mr. Querard filed against the candidates who were running clean as Democrats.

COMMISSIONER CHAN: Okay. And maybe -- maybe Sara has something to add. And I'm sorry. Maybe that's not even productive. I was just curious and I know we have a lot more to do.

MS. LARSEN: Good morning, Chairman. To answer Ms. Chan's question, we've reviewed the campaign finance reports and we did note that there were expenditures to the Republican party, to legislative district parties for the Republicans. So they may have been for events or things like that, but there were payments to the Republican party.

COMMISSIONER CHAN: Okay. Thank you.

Thank you. And I'm sorry. I will let that go. I apologize if I took us off on a tangent.

ACTING CHAIRPERSON MEYER: That's all right. We're good at that.

Let's go next to Mr. Querard.

MR. COLLINS: Yeah. That would be more sufficient.

ACTING CHAIRPERSON MEYER: Did I say that correctly?

MR. QUERARD: That is -- that is very good.

Thank you.

First, forgive the casual appearance. I'm sort of tripled booked and one of the things I've got to do is outside. So I'm sure everyone here is --

COMMISSIONER CHAN: To go to the bathroom?

MR. QUERARD: -- three-piece suit worthy no matter what the temperature is.

One of Mr. Mussi's concerns had to do about candidates getting ripped off by the party, but what we dealt with with the 2016 complaint was actually part of that. It was actually candidates who are very willingly going along with things. No one was -- no one was ripped off or duped. They knew darn good and well what they were paying for and defended it in writing. Interestingly, enough, only Clean Election candidates who, frankly, weren't spending their own money were the ones willing to pay those prices for the products offered. So while it's possible that some folks can get ripped off, I think the real more danger is just people who willing go along with this to serve a party.

You won't -- I don't have any friends who would pull this off so that they and I could, you know, pocket an extra ten grand and split it afterwards.

I don't have any friends who would risk jail time for that or do me some favor, but if you -- if you're a believer in some cause and you think you're helping your party and you're going to stop Hillary or you're going to stop Trump or whatever, I'm never surprised at just how hard people are willing to work to do that. And if that means you're told, hey, there's this thing; you could be a candidate and it's great for the party and all that stuff, we could see a lot more of what we saw in 2016.

I'm not aware of any outside vendors who
1 give the data away for free. It's the parties
generally that do that. Parties give data away for
free all the time. Every precinct committeeman has
access to the data for their precinct. Every
legislative district chairman has access to the
district for their legislative district. Every county
chairman gets data for their full county so they can do
their jobs.
9 So the state party routinely gives data
away for free, but some parties will choose on occasion
to charge for it as a way of generating revenue.
12 Again, sort of to cover costs, recover costs, pay for
their day-to-day services. There really wasn't -- you
know, when we saw this last time was a lot of training
and stuff that went on and resulted in the tens of
thousands of dollars.
17 Option A can work for everybody, okay? The
parties, again, routinely give their data away;
however, in fairness to the Democrats, when Obama first
got elected, the Democrat party centralized a lot of
data, refined it. Everybody was using the same
database by and large. So everybody was massaging the
same data and on the Democrat side, I know that there
is one particular data house the Democrats use that has
better quality data than a lot of stuff. And a lot of

The Democratic candidates want access to that and they
don't give that away.
3 So it could be that while Option A can work
for everybody, Option B may be more fair because
Democrats want access to a particular set of data that
they can't get for free. Again, I think the party
actually pays for access to that because when they have
their PCs out knocking on doors for free, they're
massaging that same data set, but I know there's a
price list for it. We saw it last time. I'm happy to
assume that the Democrats can't get that for free.
12 And so if Option B would have to be an
option out of fairness to Democrats, that's fine. The
problem is the protection you get in Option B because
there's a price list and everybody pays the same, it
doesn't exist once you move to Option C and you expand
it beyond data. If you have a price list for data,
then your fake candidates and your real candidates are
all buying data off that same price list. You're not
going to gouge the sacrificial lambs and simultaneously
gouge the candidates that are trying to run to win
because they're going to be unwilling to be gouged,
okay?
24 So your -- a price list for data where
everybody participates and everybody is buying that
data, you can count on it to be at fair market value.
2 That's what we charge for data and they can show that
everyone is paying the same for the same quantities of
data, similar size districts, similar sorts of lists,
that sort of thing. Once you move beyond that, it's
easy enough to set up a price list with exorbitant
prices that only the sacrificial lambs happen to be
customers of, okay?
9 The legit candidates that are running to
win are using private vendors, paying much better
prices, but it's easy for the party to charge a very
consistent, albeit insane, rate for things if the only
people paying it are the ones who don't really care.
14 ACTING CHAIRPERSON MEYER: Give us an
example of how that could happen.
16 MR. QUERARD: If I tell you -- instead of
paying two and a half cents for a phone call, we're all
going to pay six cents for a phone call because that's
my party's cost. How do you know? Well, I got a guy
and I pay him 50 grand a year and all he does is phone
calls. How do you know? Because I told you and you
have to take my word for it like we did with a lot of
stuff that was filed. You don't have the man's time
sheets. You don't sit there. You don't know that he's
not just doing phones. He's doing data. He runs --

1 the Democratic candidates want access to that and they
don't give that away.
3 So it could be that while Option A can work
for everybody, Option B may be more fair because
Democrats want access to a particular set of data that
they can't get for free. Again, I think the party
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that sort of thing. Once you move beyond that, it's
easy enough to set up a price list with exorbitant
prices that only the sacrificial lambs happen to be
customers of, okay?
1 part of the cost of the program, but you have no way of
2 verifying that those people are doing just that.
3 You have to take my word for it, but I'm
4 the one running the scheme. I'm the one person you
5 shouldn't be taking the word of because I'm the one
6 you're investigating and I'm the only person whose
7 opinion -- I'm basically the only person you can go to
8 for verification that I'm doing it right because I'm
9 going to say, yeah, this is my auto dialer guy and
10 that's why it's six cents a minute. And you really
11 have no way of pleasing that.
12 That's one of the problems, you know. Even
13 at the end of the investigations -- I forget, but a
14 couple of the commissioners were pointing out that even
15 at the end of things, you're sitting there saying we're
16 frustrated because we still don't actually know what
17 this money was spent for. We don't know what the Clean
18 Elections money actually bought. You'll have that same
19 problem here.
20 I'll give you mail at cost. Well, I can
21 have a printing invoice and I can pad that maybe. The
22 mail house, not really. Postage is what postage is.
23 You get that receipt from the post office. That's the
24 date, the number of pieces. That's what it was. You
25 can count on that. That's probably the only reliable

1 documentation in the cost of a mailing you can
2 document, but design, well, am I 10, $20 an hour? Am I
3 $150 an hour? Did that piece take me ten hours? Did
4 that piece take me 100 hours? You have no way of
5 knowing. You could never verify that.
6 So my design costs for a piece could be
7 $100. It could $1,500 for a piece. Both are fair.
8 Both are market value. Both are valued paid. Both
9 have no markup whatsoever. Both are completely
10 unverifiable, but obviously there's a huge difference
11 and we don't ever get to know. I know that if you're a
12 customer spending your own money with a private vendor
13 and somebody hands you a bill for 1,500 for design,
14 you're going to have a problem with that, but if you're
15 spending money as freely as they did in 2016, you're
16 good. You're happy to sign an affidavit saying I'm
17 satisfied with the product I got, and that's the
18 problem with Option C.
19 There were some concerns that passing
20 Option C will place Clean Elections candidates at a
21 disadvantage. I think I probably elected more Clean
22 Elections candidates in the state than anybody. Never
23 had to use these things. There's no -- there's no
24 requirement that it's -- in fact, prior to 2016, what
25 we saw had never been seen before which means that
<table>
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<th>Sentence</th>
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<tbody>
<tr>
<td>1. sacrificial lambs in some districts and it gets legit.</td>
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<td>2. It is sanctioned. It is in the rules. It's okay. You</td>
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<td>3. know, you're going to see a lot more of it and that --</td>
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<td>4. that really violates the spirit of Clean Elections.</td>
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<td>5. So that's -- those are my comments on A, B</td>
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<td>6. and C. I think I'm the only consultant in here. So no</td>
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<td>7. surprise I'm the only fellow with a comment on the</td>
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<td>8. consultant rule. So I will -- I will shift to that.</td>
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<td>9. This is a rule that appears to be designed</td>
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<td>10. to treat a problem that doesn't exist. In fact, it</td>
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<td>11. treats a problem that has never been the subject of any</td>
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<td>12. Clean Elections complaint for as long as I've been</td>
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<td>13. involved, which is going back quite a ways. And I've</td>
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<td>14. been the subject of enough complaints that this is one</td>
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<td>15. they haven't even filed against me. So this is really</td>
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<td>16. a problem that simply does not exist.</td>
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<td>17. It does add more hassle to the process. It</td>
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<td>18. gives candidates and consultants another reason to</td>
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<td>19. think I don't know if running clean is worth the</td>
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<td>20. hassle, frankly, which is bad because it discourages</td>
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<td>21. participation which not only is contradictory to the</td>
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<td>22. mission statement but kind of defeats the whole purpose</td>
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<td>23. of what we're doing. It contains language that largely</td>
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<td>24. says the things that are already legal are legal. You</td>
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<td>25. can hire somebody. Okay. We know that. You can pay</td>
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<td>26. invoices in advance. My printers don't give me</td>
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<td>27. invoices in advance. I don't know my fixed costs until</td>
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<td>28. the job is done. I don't know my actual cost until a</td>
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<td>29. job is done.</td>
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<td>30. Then I mark it up and I present you an</td>
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<td>31. invoice, but I know that it's not going to exceed</td>
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<td>32. $8,000. I know you have at least $8,000 so we're</td>
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<td>33. legal. I know the postage in my head because the list</td>
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<td>34. is about however many thousands of pieces and it's</td>
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<td>35. going to run me just under 20 cents per piece, so I can</td>
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<td>36. ballpark that and then I can get you an invoice that</td>
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<td>37. has the exact amounts. You pay me and we're good. No</td>
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<td>38. more. I can no longer tell you that. If I tell you</td>
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<td>39. that and you send me the money, we're in violation.</td>
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<td>40. I have to write down what I'm doing. I have to</td>
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<td>41. write down a written estimate to give you a written</td>
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<td>42. estimate because of a bureaucracy that is ever growing</td>
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<td>43. in Clean Elections that wants to make this process more</td>
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<td>44. difficult on us says, oh, no, you can't tell them.</td>
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<td>45. You've got to write it down. I mean, if they pay you a</td>
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<td>46. check based on what you said instead of what was</td>
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<td>47. written down, you are now in violation. What problem</td>
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<td>48. are we solving? This has never been the subject of a</td>
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<td>49. complaint anyway. So, again, it's almost rules for</td>
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<td>50. rules' sake.</td>
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<td>1. somebody for the work they do. Okay. We know that.</td>
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<td>2. Obviously, you have to keep invoices and</td>
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<td>3. receipts because we know that. Clean Elections requires that. It's</td>
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<td>4. in the books. It's in the rules.</td>
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<td>5. It's in the training that we get, but now we've added</td>
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<td>6. some specific requirements that it's not enough to know</td>
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<td>7. the amount. You have to get the invoice before you</td>
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<td>8. write the check. You can't get the invoice the day</td>
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<td>9. after you write the check. If you write -- get the</td>
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<td>10. invoice after you pay the amount, then it's not</td>
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<td>11. considered a direct campaign expense anymore.</td>
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<td>12. Suddenly it's a violation. It's no longer</td>
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<td>13. a legitimate expense because the timing was off. The</td>
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<td>14. amount is fine. If I tell you I need $5,000 because</td>
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<td>15. we've got to deposit it in the postage account to get</td>
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<td>16. your mailing out and when that's done, obviously we get</td>
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<td>17. the actual amounts and we -- you get a final invoice</td>
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<td>18. for the amounts due.</td>
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<td>19. You know, the way the process works is</td>
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<td>20. you're not allowed to spend money you don't have. So</td>
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<td>21. you say I want to send out a mailer. I say it's going</td>
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<td>22. to be about $8,000. Do you have $8,000? Yeah, I've</td>
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<td>23. got $10,000. Great. Okay. We can do -- about 4,000</td>
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<td>24. of that has got to go in the postage account to make</td>
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<td>25. sure that the mail goes out on time because I don't pay</td>
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<td>1. The Commission now wants copies of all --</td>
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<td>2. of all voter communications that are sent out that</td>
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<td>3. are -- that are mailers or invitations but not TV, not</td>
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<td>4. radio, not online, not signs, not phone calls, not</td>
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<td>5. newspaper ads, not -- just mailers and invitations. If</td>
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<td>6. you're doing a mailer, we want to get copied on the</td>
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<td>7. mailers and if you don't send us a mailer, you're in</td>
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<td>8. violation.</td>
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<td>9. So if I do a mailer and I forget to put you</td>
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<td>10. on the list, my candidate is in violation for breaking</td>
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<td>11. Clean Elections rules because I forgot to put you on</td>
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<td>12. the list. Why am I going through this hassle? Because</td>
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<td>13. you want a copy of a mailer. For what purpose? I</td>
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<td>14. don't know. Nobody has complained about anything. The</td>
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<td>15. fact of the matter is that if someone files a</td>
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<td>16. complaint, you're already entitled to ask them for</td>
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<td>17. copies of all of these things and they have to provide</td>
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<td>18. them to you to answer the complaint so you can</td>
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<td>19. investigate and resolve the matter.</td>
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<td>20. Collecting things because someday there</td>
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<td>21. might be a complaint and we want it in advance doesn't</td>
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<td>22. get you any information you couldn't get by just</td>
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<td>23. waiting until you actually need it and saying give me</td>
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<td>24. copies of your mailers. That's always available. So</td>
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<td>25. now you're going to get a whole lot of stuff in the</td>
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<td>Page 90</td>
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<td>1 office that you're going to keep for -- why again? And 2 if we forget to send you one, it's just another 3 opportunity for us to accidentally get in trouble, 4 accidentally get in trouble which is sort of the final concern. 5 And that's -- and that's -- there's sort of 7 a trap door both in Option C of the first thing and in 8 the consultant rule. Every time there's a chance for a 9 violation, even inadvertent, a candidate, sometimes a 10 consultant finds itself at the mercy of the Commission 11 that may or may not be fair. You guys have been, I 12 think, pretty darn good. I haven't necessarily agreed 13 with every decision you've made, but I think you've 14 been thoughtful. I think you've been fair. I think 15 it's been thoughtful. I think it's been even. 16 You don't treat one party or one ideology 17 different from the others. It has not always been that 18 way, okay? It may not always been that way -- be that 19 way. And so if I'm in a situation where potentially, 20 I'm sorry, that invoice was sent out after you wrote 21 the check, not before, therefore, you're in violation 22 and potentially at risk for what? A repayment of the 23 amount? Have I overspent by more than 10 percent? Do 24 I lose my office? What risks am I taking? 25 So, again, now we're back to consultants</td>
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<td>1 trying to advise their clients and saying I've got to 2 tell you it's not worth the risk, okay? You don't get 3 the matching funds anymore. There's a lot more 4 paperwork. There's a lot more reporting. You're 5 subject to this additional bureaucracy and, by the way, 6 now we've got to have all these steps and if we miss 7 one of these steps, I've got to tell you, even if it's 8 my mistake, you're on the hook for thousands of dollars 9 or potentially you've got to give it all back or 10 potentially you win and you get kicked out of office to 11 solve a problem that doesn't exist. 12 And so the potential punishment for 13 violating these, again, I don't think you guys would do 14 it, but you're writing the rules that the next 15 Commission is going to use and I don't know how they 16 would treat it. So that's sort of one of the -- one of 17 the dangers of what we're doing here. We're trying to 18 fix a very specific problem. 19 Option A or B does it. Option C leaves the 20 system open to really more of the same kind of abuse, 21 and Option D is, again, a rule in search of a problem 22 that doesn't exist but provides more -- more 23 disincentives for consultants and candidates to 24 participate. And I will tell you from a consultant 25 standpoint a lot of candidates will ask us should we</td>
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<td>1 run clean or traditional. They rely on our opinions in 2 that regard. 3 If you make it to where the consultants 4 start to feel like it's not worth the consultant's 5 time, I don't want -- I don't want consultants steering 6 candidates away from clean because it's just not worth 7 the hassle for consultants, you know. I'm a Clean 8 Elections champion and I've taken a lot of grief for 9 that as a conservative. So I like the system to keep 10 working for everybody and we just keep baby stepping 11 away from that. 12 I stand for any questions. 13 ACTING CHAIRPERSON MEYER: Any questions 14 for Mr. Querard? 15 Commissioner Paton. 16 COMMISSIONER PATON: So you don't have any 17 problems, really, with B. 18 What would be a legitimate amount? I mean, 19 because, you know, I forgot this gentleman's name, but 20 he said that you could make a fantastic price for that, 21 for their voter list. He says you can get it for free. 22 In my experience, people got it from the party. They 23 charged them a little bit. I mean, this isn't very 24 much, is it? 25 MR. QUERARD: Again, A or B works. The</td>
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<td>1 parties make data available for free to a lot of 2 people. They choose not to do so for candidates 3 sometimes. It depends. Some Republican party 4 chairman, part of their running is and I'll make sure 5 the candidates have free access to data, and then he 6 gets it for free. Other people use it as a way of 7 generating revenue. 8 I think the protection to data that does 9 exist for everything else is that particularly on the 10 Democrat side and even on very partisan Republican -- I 11 do want to be fair in this particular case -- I think a 12 lot of them want access to that one specific database, 13 the VAN or whatever it is. And there is a national 14 price list for VAN. There is a state price list for 15 VAN. Now, the state party may have a markup on that. 16 This may or may not prohibit that. I don't really 17 care. 18 The nice thing is that the legit candidates 19 and the sacrificial lambs are all paying this price. 20 So because of that it makes it almost impossible for 21 them to gouge their people. They can't gouge their 22 candidates that are in serious knockdown, drag-out, 23 must win, swing district races. Okay? There's not 24 going to gouge Sean Bowie in District 18 because 25 they've got to keep that seat, but it's on the price</td>
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ACTING CHAIRPERSON MEYER: There's no candidate shops there -- you know. 
price. If it's something else where no serious 
serious candidate buys from the party. So the party 
remained except the prices are all 
non-sense. And only the non-sense candidates pay 
non-sense prices, but as nearly as you can tell, you 
non-sense -- you can know that it's wrong, but you can't 
prove that it's wrong, which means you're never going 
to be able to take action against it. 
But with Option B, all the candidates, 
legit, not, serious, not, sacrificial lambs, not, 
they're all buying from the same list, and you have the 
ability to look at that and say, okay, they're all 
paying the same price or clearly you have goug ed these 
people and we can -- we can document that. So A is 
better than B, but B is plausible. You could -- that 
was one of the challenges we had last time is what they 
were doing -- it's almost I can see it, but I can't 
prove it and so it's going to go. You can please B. 
You will -- 
COMMISSIONER PATON: So a legitimate price
for that list is -- 
MR. QUERARD: And I don't -- I don't know 
because, again, a lot of the times on the Republican 
side there's no charge. It depends on the quantity of 
the data. It depends on the size of the list, if you 
want 10,000 records or 100,000 records. Do you want 
just the basic information? Do you want us to append 
the 47 modifiers because you want to know if this 
person identifies on all these various issues? You 
want to know their magazine subscriptions. So it is an 
à la carte thing depending on how much data you want 
per person. 
COMMISSIONER PATON: Okay. 
MR. QUERARD: But it's on a price list and 
you can compare the purchases. You can go to the party 
and say, Sean Bowie already paid for everything. 
COMMISSIONER PATON: Okay. Right. 
MR. QUERARD: And you could see that the 
pricing is consistent because serious candidates who 
are watching every penny are customers just the same as 
candidates who maybe don't care how the money is spent. 
And you'll see that they've been charged the same 
price. If it's something else where no serious 
candidate shops there -- you know. 
ACTING CHAIRPERSON MEYER: There's no
The State of Arizona
Citizens Clean Elections Commission

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June 22, 2017

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11:38:51-11:40:32

1 have occurred. We think that the audit and
2 Mr. Rubalcava's admissions respecting the audit and the
3 applicable statutes demonstrate that there's reason to
4 believe a violation may have occurred of numerous
5 significant statutes in 16-941(A), especially related
6 to contributions in -- that's page 2 -- and the primary
7 limit, the return of monies, the use of two bank
8 accounts and the general limit, among others.
9 So that's a high-level summary. If you --
10 I assume you've all read the memo. We're -- just to
11 give context here -- and I think there's a matrix of
12 our decision-making process from here to there. What
13 we're asking for today is authorization to conduct an
14 investigation, and what that means is that, you know,
15 these preliminary determinations, we'll be able to go
16 out and pursue those.
17 I can say we have not heard from
18 Mr. Rubalcava. We have confirmation from Federal
19 Express that he received these items. He may not be in
20 the state at this time, but he is well aware. We sent
21 him notice both last week and this week and all the
22 items. So he's, I think, well on notice about this.
23 And so I see -- personally I see no reason to delay
24 moving ahead with this. If you have questions for me
25 or Sara respecting the memo, we're happy to go over

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11:40:35-11:41:48

1 them or the process.
2 We're asking for two things today. We're
3 asking that the Commission determine that there is
4 reason to believe a violation may have occurred in
5 MUR17-01, Jesus Rubalcava, and are asking that the
6 Commission authorize me as executive director to be
7 able to issue subpoenas and take testimony under oath
8 in order to thoroughly investigate this matter further
9 as we move to the next stage in this process.
10 So that's where we are. That's the
11 high-level summary unless -- if you have any -- if you
12 have questions, I'm happy to answer them at this point.
13 ACTING CHAIRPERSON MEYER: Mr. Collins, who
14 does the examinations and the subpoenas?
15 MR. COLLINS: The subpoenas can be issued
16 in two ways under our rules. I can issue a subpoena --
17 I can issue a subpoena as executive director. I can
18 also work with the Assistant Attorney General assigned
19 to the matter to issue -- to issue a subpoena. If a
20 subpoena is issued, there is a right on behalf of the
21 subpoenaed party to appeal that subpoena to you. And
22 then if they're unsatisfied with that, theoretically
23 they can challenge that subpoena in court.
24 Additionally, under Title 12, it's my view
25 that we have the authority -- I don't have the cite --

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11:41:50-11:43:09

1 to enforce our subpoenas in court because we have the
2 authority to subpoena and there's an administrative --
3 there's a law that allows us to pursue a court action,
4 if necessary, if there's no response. This may or may
5 not be ultimately necessary, but it seems to me that in
6 this particular case, we have an issue of -- I mean, I
7 think I can recognize just as -- we have an issue of
8 lack of responsiveness, and I don't want to -- it
9 doesn't make any sense to delay that authorization
10 until another meeting based upon where we stand.
11 I'm subject to correction by Ms. Karlson,
12 but that's my view.
13 COMMISSIONER KIMBLE: Mr. Chairman?
14 ACTING CHAIRPERSON MEYER: Go ahead,
15 Commissioner Kimble.
16 COMMISSIONER KIMBLE: I think the Staff's
17 work on this has been very comprehensive, clear, very
18 outstanding and very detailed. I move that the
19 Commission determine there is reason to believe that
20 violations may have occurred in MUR17-01, Jesus
21 Rubalcava.
22 COMMISSIONER CHAN: Second.
23 ACTING CHAIRPERSON MEYER: Okay. We have a
24 motion and a second.
25 All in favor say aye.

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11:43:12-11:43:50

1 (Chorus of ayes.)
2 ACTING CHAIRPERSON MEYER: All opposed?
3 (No response.)
4 ACTING CHAIRPERSON MEYER: Okay. The
5 motion carries four-zero.
6 And, Tom, do we need another on the
7 subpoenas?
8 MR. COLLINS: We would recommend for
9 clarity that you -- that you expressly make that
10 authorization.
11 COMMISSIONER KIMBLE: Okay. Mr. Chairman,
12 I move we authorize the executive director and/or
13 counsel to issue subpoenas and take testimony under
14 oath in the investigation of MUR17-01, Jesus Rubalcava.
15 ACTING CHAIRPERSON MEYER: Is there a
16 second?  
17 COMMISSIONER CHAN: I second that motion.
18 ACTING CHAIRPERSON MEYER: Commissioner
19 Chan seconds.
20 There's a motion and a second.
21 All in favor say aye.
22 (Chorus of ayes.)
23 ACTING CHAIRPERSON MEYER: Any opposition?
24 (No response.)
25 ACTING CHAIRPERSON MEYER: Hearing none,
ACTING CHAIRPERSON MEYER: Is there a...
| 1  | going forward without any objection from the Commission  |
| 2  | on the next agenda item, which also means probably  |
| 3  | we're going to have to have a July meeting. Thank you.  |
| 4  | ACTING CHAIRPERSON MEYER: We're here to serve.  |
| 5  | MR. COLLINS: But that would be -- I think  |
| 6  | that's an acceptable plan to us as Staff and -- and as  |
| 7  | long as we haven't made any procedural errors, which  |
| 8  | apparently we haven't, then that's what we'll do.  |
| 9  | So with that, as far as organizing public  |
| 10 | comment here, I know that there are a number of folks  |
| 11 | who have arrived who would like to comment. And I  |
| 12 | don't know if there's anybody -- and I think Mr. McCain  |
| 13 | has been waiting patiently. He's been here the whole  |
| 14 | time. So I'd like to start with Mr. McCain and then we  |
| 15 | have Ms. Blanc. We have Representative Salam and  |
| 16 | maybe some other folks. Maybe Ms. Walton who would  |
| 17 | want to testify so -- and then others who need to  |
| 18 | testify, please make -- raise your hand as we go.  |
| 19 | MR. McCAIN: Good morning, Commission and  |
| 20 | chairman. My name is Barry McCain. I'm at 13750 South  |
| 21 | Calumet, Arizona City.  |
| 22 | I always listen before I talk and I'd like,  |
| 23 | first thing, to say, thank you for what you've done.  |
| 24 | As a candidate 30 -- 3 times -- the first time I broke  |
| 25 | my back. The second time I watched being told for the  |
| 26 | list that you are talking about, the list where  |
| 27 | Democrats are -- because I'm a Democrat -- the first  |
| 28 | time it was 600. The second time it was 800. And I  |
| 29 | asked then is it going to be a thousand next time?  |
| 30 | There has to be some common sense here and you're our  |
| 31 | common sense.  |
| 32 | A career in the military has taught me I  |
| 33 | don't micromanage. I don't tell you how to do your  |
| 34 | job, but I will tell you one thing that I ran for  |
| 35 | office every time, including this time, to serve my  |
| 36 | country. That's the main thing, and that's why I'm so  |
| 37 | much in agreement with this Commission. The spirit of  |
| 38 | representing our districts, if they don't intend on  |
| 39 | doing it -- they come in anticipating money, I'm sorry.  |
| 40 | I don't like that because that's not what this  |
| 41 | Commission is about.  |
| 42 | And you're my only safeguard and right now  |
| 43 | we have people picking and choosing who's going to run  |
| 44 | and they are not even qualified. They don't even show  |
| 45 | up to capitol, but yet they want to run for the Senate  |
| 46 | and the House. I have a problem with that, and you're  |
| 47 | my only safeguard to get what's fair. And thank you  |
| 48 | for that.  |
| 49 | ACTING CHAIRPERSON MEYER: Okay. Next --  |

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| 47 | my only safeguard to get what's fair. And thank you  |
| 48 | for that.  |
| 49 | ACTING CHAIRPERSON MEYER: Okay. Next --  |
I $5 qualifying candidate because you see the forms. I have to spend an extra few minutes which happy to do because that allows me to get to know the person that I'm talking to when asking them for a $5 contribution. They have to fill out their name, their address, their phone number, their email and they have to sign. And then I have to hold on to one copy for myself. I have to give them a copy and then another copy goes to the Secretary of State.

It's -- it's a huge process. I don't believe the same process is accurate when somebody who is run -- run traditional gets over $5,000 or over $100. I actually don't even know what the process is, but I bet you that they don't have to fill out a form asking for all the information.

As a -- as a Clean Elections candidate I had to -- because I was one of the lucky candidates that was audited, I had to provide a list of all the names of my relatives, my grandparents who have been deceased for a very long time. That was challenging and incredibly difficult. So the reason I'm providing this perspective is because there's a lot of rules attached to being a Clean Elections candidate, and as a person who voted to create Clean Elections so many years ago, I was doing it because I wanted to provide a level playing field for people like me to allow to be able to run, not because the Democratic party asked me to but because people that know and understand my community trusted me to.

This idea that there's -- it's a financial incentive for Democratic -- the Democratic party, it just shocks me. I don't know what the financial incentive is. I can tell you that in the general I did provide less than $5,000 to the Democratic party, and I can tell you what it was used for. Their names are Fatima Islas and Colin Behar. They were the people who were running my campaign. They were there day in, day out, nights, weekends gathering and organizing volunteers -- volunteers, not paid volunteers -- volunteers to knock on doors.

That was a coordinated campaign. It was not me funneling money from Clean Elections into the Democratic party so the Democratic party can then use the money for I don't know what. I'm not really sure where these innuendos are coming from. Oh, and also I forgot to mention Phil. Phil Waguara, which I know I'm saying his name wrong, but three people. I saw them day in and day out every day. I can tell you where my money was. I can tell you where my money went. It did not go to other districts as I'm hearing all of these rules and rumors and innuendos.

It shocks me that we are doing everything to discourage people like me to run for public office. Is this what the mission was of the people who so voted and believed in the Clean Elections system so many years ago? I believe the number of Clean Elections candidates has gone down over the years, especially after the matching funds went away, I imagine. You guys know the history probably better than I do. I can only speak for my experience.

And I can tell you with 100 percent certainty in truth that my money as a Clean Elections candidate went to serve the people in terms of me knocking on doors. In my district, Legislative District 26 in the primary, our team, without the help of the Democratic party -- because, again, the only time I gave money was for the general to get three people hired. Knocked on over 30,000 doors. We increased voter turnout by close to 30 percent and in some districts, precincts, even higher.

That's an incentive to give people like me who will spend 99 percent of their time walking in 100-degree, 110-degree temperature to knock on doors as opposed to spending 90 percent of my time talking to lobbyists or groups or organizations to fund a campaign where there apparently I don't believe is a money troll because we continue to deregulate traditional candidates. Think about that.

We're talking about, in essence, what is -- $16,000 is what I received in the primary and about $24,000. That's like $40,000. So you look at me right now as I stand before you telling you I was not asked by the Democratic party to run. I did not give my money to the Democratic party to spend on other candidates in other districts because I looked at the people that I hired with that money on an effort to increase voter turnout by close to 30 percent and in many districts, precincts, even higher. I grew up on 44th Street and Southern. In the primary in the first two weeks, the ballots that were turned in were higher than the amount of votes four years earlier. That was because of the work that we did knocking on doors. All you have to do, I encourage you, please -- I got the audit. I'm sure you received the paperwork. Look through my information. You'll see exactly how I spent my money. $700 went to the minivan system so we can access voter files. I keep hearing some interesting numbers. And we've received the paperwork. Look through my information. You'll see exactly how I spent my money. $700 went to the minivan system so we can access voter files. I keep hearing some interesting numbers. And we've received the paperwork. Look through my information. You'll see exactly how I spent my money. $700 went to the minivan system so we can access voter files.
1 the goal is to dis -- discourage people like me from
2 running? Because that's what Rule A and B will do. Is
3 the goal to give a heads up or a leg up or a full --
4 you know, if you're running and running around the
5 track, literally traditional candidates have a huge leg
6 up because there are fewer rules for them. Again, as a
7 voter we wanted to encourage people like me to run.
8 And then I also want to yellow highlight --
9 you know this. Senator Mendez, third time running,  
10 first time running as a senator, and he stepped to the
11 Clean Elections system. I wish he was here so he could
12 tell his story, but I can tell you right now that I as
13 a Clean Elections candidate have never been asked by
14 the Democratic party to run. In fact, I was
15 discouraged. I was not asked to give my money to the
16 Democratic party. Those are my facts. That is my
17 perspective.
18 So I'm not sure what has happened in the
19 past that has created this rumor mill. You need to
20 come and talk to the candidates. I wish Pam Powers --
21 Representative Pam Hannley was here because she
22 could tell you the exact same story I'm telling you.
23 She was not encouraged by the Democratic party to run,  
24 and I guarantee she probably did not give her money to
25 the Democratic party so it would be used in other

1 areas.
2 Have those conversations and -- or look
3 at -- look at our files. Obviously, the system works
4 because, unfortunately, you guys have to discuss
5 Representative Rubalcava. The system is apparently
6 working. It's effective. What is ineffective is the
7 fact that there is no system for traditional candidates
8 which I know you have no say in, but I just want to
9 point that out.
10 We're breaking or we're deregulating often
11 for traditional candidates on vast amounts of money and
12 we as Clean Elections all we have is less than $40,000,
13 not including the $4,000 that we're asked to raise.
14 And I'm happily -- which, by the way, came from friends
15 and family, friends and family.  
16 So there's a problem, but it's not with
17 Clean Elections. Let me be clear. It is not with
18 Clean Elections.
19 Thank you. Any questions?
20 COMMISSIONER PATON: Question.
21 ACTING CHAIRPERSON MEYER: Commissioner
22 Paton.
23 COMMISSIONER PATON: So, I mean, obviously,  
24 we're all on -- have something to do with Clean
25 Elections so we're not against Clean Elections.  

1 My -- and I want you to go door to door.
2 That's my whole spiel is go door to door. This should
3 be a grassroots effort and so on. That's not the
4 issue. The issue is these three people that helped
5 you, why can't you just pay them directly without the
6 Democratic party? Do you not see that that could lead
7 to undue influence by the party telling you what to do
8 and so on? It's happened all over the world. Tammany
9 Hall, Chicago, all over -- anywhere there's political
10 parties.
11 REPRESENTATIVE BLANC: Undue influence.
12 COMMISSIONER PATON: And so my issue is not
13 you going door to door. You should use the money how
14 you want to. This is state money that's given to you.
15 We just ask that you document it and don't write checks
16 to the party. That's my issue. So these three people
17 that helped you, that's fine. People do that all the
18 time. Pay them directly. That's the only problem that
19 I have with that.
20 REPRESENTATIVE BLANC: And I --
21 COMMISSIONER PATON: Do you understand
22 that?
23 REPRESENTATIVE BLANC: Well, and I
24 appreciate your honesty. Thank you so much,  
Representative Blanc: Yeah.

COMMISSIONER PATON: I can understand how you wouldn't know that, but they recruited you. They said you would be a good person and so you get with like-minded people that -- and if you want to band together, so be it. That's fine, but why do you have to write checks to the party? Nobody is answering my question. Why is that so difficult?

Representative Blanc: It's not that it's a difficult question. I'm not really sure how to answer it other than just with honesty. The Democratic party was just an opportunity to work on a coordinated campaign so we were not hitting the same doors, so we would hit different neighbors, but here's the thing. Maybe -- and there's a reason you're creating these rules, right? I don't know what to tell you. I honestly don't know what to tell you other than it was an opportunity --

COMMISSIONER PATON: Sure.

Representative Blanc: -- to run an effective campaign in a coordinated effort influenced by the three people who hired those three individuals.

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| 1) I know that.
2) REPRESENTATIVE BLANC: No, no, and I do.
3) Thank you.
4) ACTING CHAIRPERSON MEYER: So -- so we're giving everyone an opportunity to speak, you and others here. So I would just urge everyone here that one public comment is not our decision.
5) REPRESENTATIVE BLANC: Agree.
6) ACTING CHAIRPERSON MEYER: Two, a single commissioner might -- with respect to my colleague here Commissioner Paton has made it clear how he feels about that. He's one of five commissioners. So we want to
give this consideration. I personally want to give this consideration, and I appreciate comment from everyone. So I appreciate what you've offered today very much, as I appreciate what everyone has offered today.
7) So I know -- Commissioner Chan, did you have something that you wanted --
8) COMMISSIONER CHAN: On a second thought, no.
9) ACTING CHAIRPERSON MEYER: Okay.
10) REPRESENTATIVE BLANC: And I appreciate it and just -- again, I just wanted to -- because there were some statements made. And I respect them, but my

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| 1) goal here was to stand before you and just talk about my perspective. So just, again, I'm just here because you to watch the video. It will just provide
2) REPRESENTATIVE BLANC: Yeah. I encourage everyone here that one public comment is not our decision.
3) REPRESENTATIVE BLANC: Agree.
4) ACTING CHAIRPERSON MEYER: Two, a single commissioner might -- with respect to my colleague here Commissioner Paton has made it clear how he feels about that. He's one of five commissioners. So we want to
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8) REPRESENTATIVE BLANC: And I appreciate it and just -- again, I just wanted to -- because there were some statements made. And I respect them, but my

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| 1) there was a lot of references made in testimony. And I respect people's opinions, but I thought it was really important to just share my perspective as someone who did run clean very recently. And for me personally, you know, it's troubling when there's, again, innuendos that are made. So I just wanted to provide a perspective. That's it. A perspective from my point of view, especially since it was just a year ago when we were walking in this heat.
2) Thank you.
3) ACTING CHAIRPERSON MEYER: From my perspective, you have been heard and I very much appreciate it.
4) REPRESENTATIVE BLANC: Thank you so much.
5) ACTING CHAIRPERSON MEYER: Any other questions?
6) (No response.)
7) ACTING CHAIRPERSON MEYER: Any other further public comment? Please come up. State your name for the record, please.
8) Tom?
9) MR. COLLINS: Yeah, just the air conditioner has, in fact, given out. So that's why --
10) REPRESENTATIVE SALMAN: So Representative Blanco did a fantastic job in covering most of the

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| 1) REPRESENTATIVE SALMAN: It seems to be happening everywhere.
2) Athena Salman, state representative for District 26. Hello again to some of you and, Commissioner Meyer, It's a pleasure to see you.
3) ACTING CHAIRPERSON MEYER: I'm only acting Commissioner Meyer, It's a pleasure to see you.
4) REPRESENTATIVE BLANC: Thank you.
5) ACTING CHAIRPERSON MEYER: I wasn't at the last meeting so maybe others have already --
6) COMMISSIONER CHAN: That's what I was just going to say is that I know that --
7) REPRESENTATIVE BLANC: Yeah.
8) COMMISSIONER CHAN: -- the chairman was not here and I -- one of the things when I was asking questions of the other folks who testified was you --
9) your testimony and your seatmates' testimony were very clear, and I thought it was unfortunate that everybody wasn't here today. And I'm glad you guys came over just to kind of have a juxtaposition, especially for Chairman Meyers since he wasn't able to be here.
10) REPRESENTATIVE BLANC: Yeah. I encourage you to watch the video. It will just provide
11) perspective. So just, again, I'm just here because
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<th>COMMISSIONER CHAN: Mr. Chairman -- and I'm sorry, Representative Salman.</th>
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<td>If I may, Mr. Chairman.</td>
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<td>ACTING CHAIRPERSON MEYER: Sure.</td>
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<td>COMMISSIONER CHAN: One question I do want to ask to that point is just that I feel strongly that every candidate should be able to choose who their vendors are and be able to make that decision, and I personally like Option C because I think it allows for that. And it also allows for a transparency check in making sure that the monies that are paid are doing what they're supposed to do.</td>
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<td>Some of the points that were made earlier was that maybe candidates aren't making the best decision because people can get voter lists for free, those sorts of things, and I wondered if you had any -- anything to say on that point. And if you don't, that's okay. I just -- that was one of the things that was mentioned earlier. I hope I'm doing it justice.</td>
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<td>REPRESENTATIVE SALMAN: And just a clarifying question, when you say people are getting voter lists for free, do you mean from their respective parties or from consultants?</td>
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<td>ACTING CHAIRPERSON MEYER: From anywhere.</td>
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<td>8</td>
<td>COMMISSIONER CHAN: You know, from anywhere. And nobody actually said where they got the voter list for free, but they said they're out there. I don't know, you know, what the quality of the list would be, for example.</td>
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<td>ACTING CHAIRPERSON MEYER: Rather than having to spend your Clean Election funds for a voter list, is there a way for candidates to obtain that same list for nothing from some other source?</td>
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<td>COMMISSIONER CHAN: And, actually, to be fair, I think Constantin did mention that for the Democratic party perhaps that's not possible because there is one kind of great list that you do have to pay for. So it may be not be possible for the Democratic candidates, actually.</td>
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<td>ACTING CHAIRPERSON MEYER: That's right.</td>
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<td>REPRESENTATIVE SALMAN: What I really love about that exchange is I think you guys just answered it.</td>
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<td>COMMISSIONER CHAN: Thank you.</td>
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<td>REPRESENTATIVE SALMAN: You know, I ran as a Democrat. And plan to continue running as a Democrat, and for the Democratic party it is an enriched file. And I'll be using the voter file from the Democratic party as well both because we have options to get even deeper information that the standard county voter file does not provide, and my district is in only one county. It's in Maricopa County, but also it's a hub for the data that I collected this past election cycle. So I can keep building upon that. And I am not a computer science expert. I don't know how to do that outside of what the party has built. So that is a service that was built by the party that has been incredibly helpful for myself.</td>
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<td>COMMISSIONER CHAN: So if I might just make a comment, Mr. Chairman and Representative Salman. We, actually, it sounds like, be putting one party's candidates at a real disadvantage if we were to prohibit them from obtaining this information from their party.</td>
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<td>REPRESENTATIVE SALMAN: So I would -- since we heard from -- since I know, because I've only run as a Democrat, that is something that the Democratic party provides, I could say that, yes, that would be putting me at a disadvantage. I don't know if the Green party provides that. I don't know if the Libertarian party, Republican party, but by all means, if the parties and these other parties that I compete with want to develop that service for their candidates, there's nothing that would prevent them from doing so.</td>
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<td>So right now it would be a hindrance on the Democratic party, but who knows. Maybe in the future another party will provide that service. I don't know the inner workings of the other parties, but the other -- the other thing that I really like about C, too, so it would allow us to use the tools that are available to us as Clean Election candidates and as competitive candidates so that we can properly run an effective, efficient and ultimately a winnable campaign, but I also think that it's really important to get more -- more information and more transparency on consultants.</td>
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<td>Commissioner -- every time I see you I want to call you General Paton. Commissioner Paton -- ACTING CHAIRPERSON MEYER: It took me about six months.</td>
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<td>REPRESENTATIVE SALMAN: Did it? Okay. So it's not just me? That's good.</td>
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<td>20</td>
<td>COMMISSIONER PATON: That's good. That's my pseudonym.</td>
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| 21 | REPRESENTATIVE SALMAN: So I hear -- I hear your point, and I kind of wonder, though, this is -- you know, this is just -- the Democratic party has been very transparent about you can choose us as a vendor and here's the services that we provide. I ask myself
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<td>why isn't other parties doing that for their candidates? And, if not, are there consultants out there that aren't coordinating with the party? We should know that and voters deserve to know that and just to have that more transparency. And I think with Section C we'll have a more complete picture and -- and just that's a good thing, you know, and I think Representative Blanc did a fantastic job highlighting that. I really do wish that there was the same level in standard for traditional candidates because ultimately I want to just compete about ideas and I want the resources to run an effective campaign so I can communicate that idea, communicate my message to voters. If someone wants to run traditional, that's fine, but let's keep it an equal play field. Let's not handicap the process, the rules for Clean Elections to make it so onerous that folks like me who truly believe in the mission of Clean Elections, truly believe that we should get -- eliminate money from politics or try to mitigate the influence of money in politics so we can continue to use this fantastic system. I want to mention something. Because of the way that exists -- and, again, I fully support Arizona has in the future, but we're starting from scratch and we're taking the oath. We're taking the pledge. And then, I guess, as some candidates kind of freaked out and said, well, let's create a tiered system and say we won't take money from these groups, you know, but it shifts the conversation. And that's what -- that's what Arizona voters are thirsty for. That's what voters in the entire country are thirsty for. I would be glad to take more questions, but that's kind of where I'm coming from and that's been my experience with Clean Elections. And if we have to do some more paperwork, you know, if the consultants that we work with have to just do more dotting their I's and crossing their T's so our voters know exactly how the Clean Election money was spent, that's great. I will make my consultants do that. And money is also money. I would be shocked if consultants turned away money when their business is to run elections. ACTING CHAIRPERSON MEYER: Thank you, Representative Salman. Any other questions from the commissioners? (No response.) ACTING CHAIRPERSON MEYER: Thank you so much. REPRESENTATIVE SALMAN: Thank you.</td>
<td>12:20:26-12:21:40</td>
<td>1 Option C. I advocate and would love to have more transparency, but even just the system as it existed since the inception and since I used it -- I've only used it once. I'm a first-term representative. I met state legislators from Virginia and, unfortunately, because of the influence of money in politics, they cannot create -- and they don't have the citizens initiative process. So they cannot create a ballot -- or they cannot create a Clean Elections system for themselves, but what they did -- and it's called -- it's called the Clean Elections -- not team because that's what we call ourselves -- squad, Clean Elections Squad. And they literally -- from hearing the story of Clean Elections in Arizona and being inspired by the transparency and the fact that we don't take money from dark money groups and PACs and independent expenditures, that we really are advocating for the public and running our campaign thus far, in Virginia they started the Clean Elections Squad which is candidates committing not to take PAC money for their campaigns, any PAC money whatsoever. And they're, like, we're going to start with this and build from there. Maybe we can have what Arizona has in the future, but we're starting from</td>
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Acting Chairperson Meyer: Thank you.

Ms. Walton.

Any questions?

(No response.)

Acting Chairperson Meyer: Okay. The gentleman in the back.

Mr. Edman: Thank you, commissioners. I'm up here, well, in front of most of you again and then the first time. My name is Joel Edman. I'm the 9 executive director of Arizona Advocacy Network. We're a nonpartisan organization one of whose top priorities 10 is protecting the Clean Elections system. So I'm not here to -- you know, defending the interests of the 11 Democratic party or the Republican party, for that 12 matter.

It is a little troublesome to me, I think, 15 that the push does seem to be coming largely from one 16 side. And as, you know, Commissioner Chan mentioned, 18 this may have a disproportionate impact on one side's 19 candidates, but my main interest here is to make it -- 20 make sure that we are not discouraging people from 21 running clean.

Down the block at the capitol we're making 22 it easier and easier to run traditional. We're jacking 24 up the contribution limits through the roof to the 25 point where now you just need a small handful of very wealthy people and there's your campaign budget.

You're all set. And I worry that the harder we make it 3 to run clean, you know, keep tilting that scale a 4 little bit and you're starting to nudge people in the 5 direction of running traditional. And the program is 6 already so much smaller than it was in its heyday and 7 hopefully we can get back to that heyday rather than 8 moving the opposite direction.

And I don't think that's the intent of 9 anybody on the Commission to shrink the participation 10 in the program. I really don't, but I worry that that 11 would be one of the impacts of anything other than 13 Option C. And I think that because, you know, we've 14 heard candidates say that they think it would make 15 their lives -- their lives harder.

You know, I'm confident that 16 Representatives Blanc and Salman would probably 17 continue to run clean. They're big believers in the 18 Clean Elections system. That's why they're here. I'm 20 more concerned with your candidates who are -- who are 21 on the margins, who, you know, don't have the deep, you 22 know, philosophical commitment, but who you really 23 benefit as voters from them having their funds not come 24 from, again, that small handful of really wealthy 25 donors who can now fund the traditional campaign, you

Know, basically on their own.

So that's -- that's all I have. I know 2 it's a big picture, but I think that the big picture 3 here is really more important than the little details 5 that we've gotten into through a lot of the morning.

Acting Chairperson Meyer: Any questions?

(No response.)

Acting Chairperson Meyer: Thank you.

Mr. Edman: Thank you.

Acting Chairperson Meyer: Please step up.

Ms. Knox: I'm Rivko Knox, on behalf of the 11 League of Women Voters of Arizona. And I merely wanted 13 to kind of in a way second what Mr. Edman just said. 14 As you all well know -- and I've done it for the record 15 just to say that, again, the league is a totally 16 nonpartisan but very political -- progressive political 17 organization that was very instrumental in getting 18 Clean Elections passed and very instrumental in 19 supporting the Voter Protection Act.

It really pains me to hear many of the 20 things that have been said and that appear to have been 22 in the news a lot about somehow that Clean Election 23 candidates are now becoming almost puppets of a 24 particular party. I think that's really sad and I 25 would hope that the Commission would continue to put
ACTING CHAIRPERSON MEYER: Thank you.

COMMISSIONER PATON: Oh, no. So thank you-all very much. If anyone has any further public comment?

MR. COLLINS: Well, Mr. Chairman, Mr. Querard has a comment and then we're going to lose Commissioner Chan here. We still have a quorum. We do have to get to Mr. Kanefield on the agenda item we pushed last time because of this going longer than we expected. So my suggestion is if Mr. Querard could be brief and then we can move on to Mr. Kanefield, I think that will be best.

ACTING CHAIRPERSON MEYER: Yes. One minute.

MR. QUERARD: In the interest of body heat, I will move myself.

Again, I appreciate the stories. I love how people are run clean and win and I've helped a lot of those candidates myself. So I hope nothing we've said is construed as an attack on Clean Elections. The specifics of District 26, however, is that this is a -- it's not a competitive district. The action is in the primary. If you win the primary you can pretty much start measuring the drapes. So it is illustrative of who you spend money when it matters versus how you spend money when it doesn't matter.

All of this expertise -- they had an Evan Behar that was -- and I'm probably saying it wrong -- all three of the candidates in the team paid. Nominal amounts during the primary when money was tight and really large money also in the general, $3,500 a month kind of thing. Mr. Mendez didn't. He -- his money was taken because he didn't have a general election.

The team suddenly had this party expertise it needed at extraordinary cost to guide them on how to do something they had already successfully done in the race that mattered when they wouldn't have spent their money that way because every dollar was so precious. Suddenly they needed this expertise to guide this team and to do all this stuff. Again, Mr. Mendez contributed nothing to that expense. It benefits the team when two of the candidates are paying; the third candidate is not paying.

So how you spend your money when it matters versus how you spend your money when it doesn't matter is illustrative of what really mattered. If this guidance was so critical, so crucial, these people were just God sent and they just had skills that, my gosh, we just didn't have without them, you wouldn't have seen them in the general that didn't matter -- I wouldn't say it
has some ideas on how to take some stuff from there into some productive conversation and then -- and Joe they introduced the bill, we were finally able to get Those efforts weren't successful, but once constitutional implications and other implications of what they -- what they propose to do. 22 Those efforts weren't successful, but once they introduced the bill, we were finally able to get into some productive conversation and then -- and Joe has some ideas on how to take some stuff from there
Motion carries three-zero.

Mr. Collins?

MR. COLLINS: Public comment. There's no one here for public comment. So we can move to a motion to adjourn.

ACTING CHAIRPERSON MEYER: Who would like the honor of the motion to adjourn?

COMMISSIONER PATON: I would make a motion to adjourn this meeting.

ACTING CHAIRPERSON MEYER: Second?

COMMISSIONER KIMBLE: Second.

ACTING CHAIRPERSON MEYER: All right.

MR. COLLINS: Do you want to do a vote?

ACTING CHAIRPERSON MEYER: Motion to adjourn.

All in favor?

(Chorus of ayes.)

ACTING CHAIRPERSON MEYER: Any opposition?

(No response.)

ACTING CHAIRPERSON MEYER: No? Motion carries.

That concludes our meeting on June 27 -- 22nd.

Thank you.

(Whereupon, the proceedings concluded at 1:03 p.m.)
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