

REPORT OF INDEPENDENT INVESTIGATION

**Re: Arizona Secretary of State Reasonable Cause Notice
Tom Horne 2014 Campaign Committee (SOS Filer ID 201200082)
Special Assistant Attorneys General: Michael Hamblin and Daniel Barker
Assigned Investigator: Keith Sobraske
October 10, 2017**

I. INVESTIGATIVE ASSIGNMENT AND SCOPE OF INVESTIGATION

A. BACKGROUND

This investigation had its origin in a complaint filed on May 12, 2014 with the Office of the Secretary of State (SOS) by attorney Thomas Ryan (Exhibit 1), on behalf of his client, Sarah Beattie, a former employee of the Attorney General's Office (AGO) for the State of Arizona. Provided with the complaint letter was an Affidavit of Sarah Beattie (Exhibit 2) among 30 Exhibits (Exhibits 2.1 through 2.30 to this report). This complaint was the subject of inquiry by the Secretary of State's Office, which, following receipt and review of the response from Tom Horne, issued a Reasonable Cause Notice ("RCN") (Exhibit 3), which was supported by a Memorandum from Christina Estes-Werther, State Elections Director (Exhibit 4). The RCN indicated that the Secretary of State, having reviewed the matter, found reasonable cause that Tom Horne, as Treasurer of the Tom Horne 2014 Campaign Committee (SOS Filer ID 201200082), had violated provisions of Title 16, Chapter 6, Article 1 of the Arizona Revised Statutes, specifically A.R.S. §§ 16-904, 16-913 and 16-915, and other applicable statutes related to the failure to perform a duty as required by law. The RCN advised the Solicitor General of this finding.

Subsequently, in a letter dated July 9, 2014 (Exhibit 5), Robert L. Ellman, Solicitor General at the AGO, appointed Michael Hamblin, Gilbert Town Attorney and Judge Daniel A. Barker (Ret.) as Special Assistant Attorneys General for the purposes of investigating the issues outlined in the RCN and alleged campaign finance violations and misuse of State resources. Michael Hamblin subsequently engaged Keith Sobraske of Investigative Research, Inc. to assist with and take the lead in the investigation.

Mr. Horne had initially provided to the SOS a response, along with supporting documentation (Exhibit 7) on June 2, 2014, but submitted a corrected response (Exhibit 8) for the purposes of correcting typographical errors. On August 1, 2014, Mr. Horne submitted what he characterized as an allegation by allegation refutation of the Beattie Affidavit, with supporting documentation (Exhibit 9), to the assigned investigators.

B. SCOPE OF INVESTIGATION

The purpose of the investigation was to determine if Tom Horne, as Treasurer of the Tom Horne 2014 Campaign Committee (SOS Filer ID 201200082), had violated provisions of Title 16, Chapter 6, Article 1 of the Arizona Revised Statutes, specifically A.R.S. §§ 16-

904, 16-913 and 16-915, and other applicable statutes related to the failure to perform a duty as required by law.

This investigation was conducted without legal authority to compel witness testimony or the production of documentary evidence.

C. IDENTIFICATION OF POSSIBLY RELEVANT STATUTES AND AGO POLICIES

Based on the scope of the investigation, applicable Arizona Revised Statutes and AGO policies were identified, are discussed in Appendix B, and are listed in the following.

1. A.R.S. Title 16, Article 6, Campaign Contributions and Expenses, including §§ 16-904, 16-913 and 16-915
2. A.R.S. Title 41, Article 4, State Personnel System, including A.R.S. §§ 41-752 and 41-742
3. A.R.S. Title 38, Article 8, Conflict of Interest of Officers and Employees, including A.R.S. § 38-504.C
4. AGO Solicitor General's Office Memorandum dated 9/5/13 Re: Limitations on Political and Campaign Activities of AGO Employees
5. Chapter 8 of the Arizona Attorney General's Office Agency Handbook, in both the 2011 and 2014 editions, Re: "Improper Use of Office for Personal Gain."
6. AGO Policy No. ISS-I, Re: Internet and Email
7. A.R.S. Title 16, Elections and Electors, Article 1, Chapter 1.1, General Provisions, including A.R.S. § 16-192, Use of state, special taxing district resources to influence elections; prohibition; civil penalties; definitions

D. IDENTIFICATION OF FACTUAL ISSUES; SUMMARY FINDINGS

Given the nuances and technical nature of the issues, the investigators saw fit to identify various issues deemed relevant to the investigative scope, beginning with the issues set forth in the Beattie Affidavit and Exhibits thereto and the RCN Memo submitted by Christina Estes-Werther, State Elections Director. Upon initial review of the issues set forth in these documents, it was apparent that the investigation needed to be expanded to give fair consideration to the breadth of the issues and the responses submitted by Mr. Horne.

This led to the identification of a total of 30 issues to be explored, with the understanding that the issues were not mutually exclusive, but rather involved considerable overlap. Further, some of the issues identified were specific, while others were general and relatively broad. The issues identified for investigation and review are discussed later in this report, and set forth in Appendix C, List of Factual Issues, to this report. Data and information compiled relating to each of the 30 Factual Issues, Issue 1 through Issue 30, are set forth in part in Appendix A, Compilation of Investigative Data.

Summary Findings follow each of the Factual Issues listed in the following. Detailed Findings are set forth in Section III of this report.

- 1. Issue: Allegedly, Ms. Beattie spent two hours of her work day in Constituent Services working on state business and the remaining time was spent on campaign work for Mr. Horne. See Beattie Affidavit, pages 4, 9.**

Based on the totality of the information and evidence obtained in the investigation, it is unclear if Ms. Beattie was actually spending on the average of 6 hours of her work day on campaign work and 2 hours a day on State work during the time she worked in Constituent Services. That said, the record clearly shows that she spent a substantive amount of time during the AGO work day working on campaign-related projects; that her supervisors were aware of her activities in this regard; and that she had received mixed messages from both Ms. Winn, Ms. Dugan and Mr. Horne about whether she should be doing campaign work on State time.

- 2. Issue: Allegedly, Ms. Beattie participated in a discussion to host a fundraiser with duties assigned to certain staff members including calling possible donors, securing a host (Donald Tapia), and preparing a fundraiser flier for the event, which was then distributed to most of the Executive Office for review and editing. The discussion was in Mr. Archer's office with Mr. Horne, Mr. Mecum, Mr. Archer and Ms. Beattie during work hours. See Beattie Affidavit, pages 5-6.**

The preponderance of evidence reflects that the events occurred as alleged, and the meeting was a substantive meeting, lasting 10 minutes long (according to Mr. Archer), and Mr. Horne and Mr. Mecum made calls relating to the fundraising event. This clearly appears to be substantive campaign activity at the AGO Executive Offices (EXO) during normal working hours. Further, as Mr. Archer noted, "those things," referring to short meetings relating to the campaign, "would happen from time to time," suggesting that this was not a singular occurrence of a campaign related meeting at the AGO EXO.

- 3. Issue: Allegedly, on March 6, 2014 and other occasions, Mr. Horne provided Ms. Beattie's AGO office number to coordinate fundraising events and she had to send out a reminder to the Executive Office to stop using her office phone number for campaign events. See Beattie Affidavit, page 6 and Exhibit 8.**

The preponderance of evidence suggests that the events occurred as alleged, although Mr. Horne claims that he never gave out her AGO work telephone number, although he acknowledged that he may have done so in error. Regardless, Mr. Horne's response begs the question why Ms. Beattie would feel compelled to send out a somewhat terse email to her supervisor and the head of the department, Mr. Horne, if Mr. Horne and others had not been giving out her AGO number in connection with the campaign.

- 4. Issue: Allegedly, in February 2014, Ms. Beattie was asked by Mr. Horne to delete a campaign-related email he replied to from an Executive Staff member who mistakenly sent the email from her official office email account. See Beattie Affidavit, page 6.**

The preponderance of evidence suggests that the events occurred as alleged. Mr. Horne erroneously sent a campaign related email to Ms. Beattie's AGO email address, then came to her office and stood by while she deleted the email. Mr. Horne claimed that these events occurred over the lunch hour, while Ms. Beattie indicated that the events occurred mid-morning.

- 5. Issue: Allegedly, on October 15, 2013, Ms. Beattie was asked to meet Mr. Horne at Molina's Fine Jewelry to discuss a possible fundraiser. Ms. Beattie attests that the travel and discussion at the store were during her work hours. See Beattie Affidavit, page 7 and Exhibit 9.**

The preponderance of evidence suggests that while the persons present at Molina's Fine Jewelry may have left before 12:00 p.m. to travel from the AGO EXO to travel to the jewelry store, the meeting was held by all accounts more or less over the typical lunch hour of 12:00 to 1:00 p.m.

- 6. Issue: Allegedly, Mr. Horne "routinely" discussed the campaigns of his opponents, Mark Brnovich and Felecia Rotellini, with his Executive Office staff during regular office hours that were not during breaks or lunch hours. See Beattie Affidavit, page 7.**

The preponderance of evidence, which includes commentary from Ms. Beattie, Mr. Archer (during the interview by the MCAO), and the interview of Ms. Dugan, reflects that Mr. Horne did on State time have discussions relating to his campaign opponents, and these discussions were, according to Mr. Archer, from 10 to 15 minutes in length, and according to Ms. Beattie, significantly longer than even Mr. Archer's estimates. Such conversations went beyond the category of "water cooler talk." These meetings, based on the evidence, appear to constitute significant campaign activity taking place at the AGO EXO during business hours.

- 7. Issue: Allegedly, weekly calendar meetings were held for coordination of official AGO business and well as campaign events, and during these meetings, which started at 2:00 p.m., there was substantive discussion relating to campaign events. See Beattie Affidavit, pages 7-8 and Exhibits 10 and 11.**

In summary, the preponderance of evidence suggests that the events occurred as alleged, and that substantive campaign related activity was taking place at the calendaring meetings.

This issue brings to the forefront questions about the propriety of having weekly meetings on State time involving the scheduling of campaign events, which were a significant portion of the calendaring activity, as seen from a review of Beattie Exhibits 10 and 11. Another issue raised is the need to have a number of staff persons present for a meeting on State time, when the only reason for the meeting, at least according to Mr. Horne and Ms. Dugan, was to make sure that campaign events did not conflict with official AGO events (or vice versa). As such, the meetings themselves were prompted and necessitated by campaign related issues and events. While Mr. Horne claims that the calendar meeting did not involve "significant" discussions of campaign events, the meetings took place in large measure because of campaign events, and the potential conflict they might have with official AGO business. The extent of discussions about the campaign, based on the evidence, is unresolved, but it is clear that there was some degree of discussion about campaign events, and that the meetings took place in part for the purposes of calendaring campaign events.

The issue with the calendars and the calendar meetings can be fairly interpreted, given other evidence collected in the investigation, as a microcosm of a broader pattern of campaign related matters being commingled with AGO work, to the point that it is difficult, from an investigative standpoint, to separate the two activities. It would also be difficult for employees to separate out the issues because of the comingling of campaign activities and AGO work during the course of the work day.

8. Issue: Allegedly, during the AGO work day, Mr. Horne and others in the AGO EXO exchanged emails and had discussions relating to campaign related issues, including a proposed robocall, a memo entitled "Negatives of Rotellini," and a memo entitled "Tom Horne's Achievements."

- On December 26, 2013, Mr. Horne and his Executive Office staff discussed a proposed robocall during work hours via email. *See Beattie Affidavit, page 8 and Exhibit 12.*
- On January 17, 2014, Mr. Horne and Executive Office staff discussed a memo titled "Negatives of Rotellini" during work hours via email. *See Beattie Affidavit, page 8 and Exhibit 13.*
- On March 28, 2014, Ms. Scordato at 11:34 a.m., during the regular business day, transmitted a memo entitled "Tom Horne's Achievements" during work hours via email to Darline Garrett and Ms. Beattie. *See Beattie Affidavit, page 8 and Exhibit 14.*

In summary, the preponderance of evidence indicates that, in the case and circumstances of the three emails cited by Ms. Beattie in her Affidavit, along with other evidence of campaign related

emails by Mr. Horne during typical business hours, his emailing activities constituted significant campaign activity.

There was something that Mr. Horne could have done to prevent campaign work from taking place on State time, and this would have been not sending out campaign related emails to staff to which he had attached documentation that could not be digested in just “a few minutes,” such as the extensive “Negatives on Rotellini” memo, which is comprised of multiple pages. Rather than discouraging employees from engaging in campaign related activity on State time, this type of email communication, sent during the normal work day, gave license to recipient employees to open and read campaign emails (and attachments) during regular business hours, to reply, and even to critique the memo’s points, all on AGO time, as Mr. Horne appears to have done.

Throughout the Horne Responses and during the investigative interview, Mr. Horne, perhaps to provide justification for the possibility and reality that AGO EXO employees were engaging in campaign work on State time, cited that the fact that employees signed a “certification” on their time sheets verifying that they had worked (on State business) the number of hours they listed. The employment by Mr. Horne of this defense is discussed in detail in the findings relating to Allegation A.

- 9. Issue: Allegedly, Ms. Dugan often discussed with Ms. Beattie the status of fundraisers, political events she had attended, campaign events she was planning to attend with Debra Jackson, the status of campaign flyers and social media for the campaign. Additionally, Ms. Dugan and Mr. Horne would express campaign-related concerns and ask Ms. Beattie to address their concerns about the lack of progress on campaign work by Mr. Archer and Mr. Mecum. See Beattie Affidavit, page 9.**

Based on the totality of evidence, it would appear that Mr. Archer and Ms. Dugan did have meetings or discussions in the office relating to the campaign, specifically about Mr. Archer verifying petition signatures at Ms. Dugan’s request, work that he says that he performed at night at his home, and both claim that the office discussions on this issue were extremely short. As to the second element, Mr. Archer did fix Mr. Horne’s Twitter account, at Ms. Dugan’s request, although she claims that she did not ask her to do so. Both asserted that this took about 5 minutes. As to the third element, relating to Ms. Beattie’s claim that Ms. Dugan (and Mr. Horne) had asked her to speak with Archer and Mecum about the status of their campaign work, Mr. Archer obliquely acknowledged that Ms. Beattie made some sort of comments along these lines, but he claimed that his recollection about what was said was unclear.

- 10. Issue: Allegedly, Ms. Winn was aware that Ms. Beattie was working on campaign activities during the work day, insofar as Ms. Beattie sent an email on 9/11/13 at 7:46 a.m. (in a time frame when her work day started at 7:00 a.m.). Ms. Beattie also claimed that Ms. Winn forwarded an email from attorney Dan McCauley to the campaign email address when the subject matter of the email had no connection with the campaign. See Beattie Affidavit, pages 9, 10 and Exhibit 16.**

The preponderance of evidence does suggest that Ms. Winn was aware that Ms. Beattie was working on the campaign on State time. Ms. Winn's response about whether she knew about Ms. Beattie actually working on the campaign was remarkably evasive, as reflected in the discussion of Factual Issue 10 in Appendix A, and in the interview transcript. Ms. Winn should have known that Ms. Beattie was working on the campaign by virtue of Ms. Beattie's 9/11/13 7:46 a.m. email, as well as the email exchange concerning Mr. Horne's Achievements, which is discussed under Factual Issue 12.

It is unresolved, based on the available evidence, whether Ms. Winn purposely sent Dan McCauley's email to Mr. Horne for the purpose of making "political hay," as Ms. Beattie claims. Ms. Winn indicated that she inadvertently sent the email to Mr. Horne's campaign email address.

11. Issue: Allegedly, on April 8, 2014, Ms. Winn drove a government vehicle to a campaign site. See Beattie Affidavit, page 11.

Given the admissions of Ms. Winn and Mr. Horne in their interviews, this event occurred as alleged. Mr. Horne claimed that Ms. Winn was reprimanded and required to reimburse the State for the cost of her private use of the State vehicle.

12. Issue: Allegedly, Ms. Beattie was asked by Ms. Winn to work on a document for Mr. Horne titled, "17 Major Achievements." Ms. Beattie believed this was a campaign-related assignment to be completed as soon as possible, whether on State time or not. See Beattie Affidavit, pages 3, 10, 12 and Exhibits 3, 4 and 15.

The totality of the evidence suggests that, early on, Ms. Beattie was receiving mixed messages from AGO personnel about her job at the AGO, her work on the Horne campaign, and when she was supposed to work on campaign related tasks. Ms. Beattie indicated that, at times, Ms. Winn did tell her that she was not to work on the campaign while on state time, but at other times, demanded quick action, as in the case of the "17 Major Achievements" list, which she wanted "stat." Clearly, Ms. Beattie was of the belief that she was brought on at the AGO because at least in part of the contributions she could make to the Horne campaign, and it was also clear that, early on, in August 2013, Ms. Winn was insistent that Ms. Beattie focus on her state job. There appears to have been friction between Ms. Beattie and Ms. Winn over this. Ultimately Mr. Horne elected to transfer Ms. Beattie to the constituent relations position, where she had considerable more liberty to work on campaign related matters than when she was working under Ms. Winn.

In summary, the preponderance of evidence suggests that Ms. Beattie was instructed by Ms. Winn, while both were on duty at the AGO, to work on the Achievements List "stat" and there was no qualification to Ms. Beattie that she was not to do this assignment on State time. What Ms. Winn wanted was for Ms. Beattie to complete review and editing of the document immediately. Further, if in fact Ms. Winn thought that the "17 Major Achievements" list was for

posting on the AGO website, and not for campaign purposes, Ms. Winn could have communicated the request to work on the "17 Achievements List" document through AGO email, as opposed through personal gmail accounts. It is clear that the "Major Achievements" list was used for campaign purposes, insofar as its contents appeared on Mr. Horne's campaign website.

- 13. Issue: Allegedly, on January 22, 2014 at 4:22 p.m., Ms. Scordato emailed Mr. Mecum, Ms. Dugan and Ms. Beattie regarding fundraising duties and campaign events. See Beattie Affidavit, page 12 and Exhibit 21.**
- 14. Issue: Allegedly, on February 13, 2014 at 4:28p.m., Ms. Scordato emailed Ms. Dugan, Ms. Grisham, Ms. Archer, Mr. Mecum, Ms. Winn, Mr. Horne and Ms. Beattie regarding campaign "To Do's." See Beattie Affidavit, page 13 and Exhibit 22.**

In summary, as to Factual Issues 13 and 14, while it can be justifiably asserted, based on solely the email records of Ms. Beattie's private gmail account, that Ms. Scordato, on a significant number of occasions, sent out campaign related emails when she was at the AGO EXO, many within regular work hours (0800 to 1700 hours, except 1200 to 1300 hours), she frequently worked more than 8 hours a day.

- 15. Issue: Allegedly, Mr. Mecum worked on campaign activities, including fundraiser flyers, with Ms. Beattie during work hours.**
 - On August 28, 2013 at 12:56 p.m., Mr. Mecum emailed Carmen Chenal and Ms. Beattie about a fundraiser. *See Beattie Affidavit, page 14 and Exhibit 25.*
 - On September 5, 2013 between 9:53 a.m. and 4:53 p.m., Mr. Mecum, Ms. Chenal and Ms. Beattie were part of an email exchange about items relating to fundraising. *See Beattie Affidavit, page 14 and Exhibit 26.*
 - On October 1, 2013 at 10:01 a.m., Mr. Mecum emailed Mr. Horne and Ms. Beattie regarding a fundraiser by the Lindners. *See Beattie Affidavit, page 14 and Exhibit 27.*
 - On October 8, 2013 at 10:41 a.m., Mr. Mecum emailed Mr. Horne, Ms. Grisham, Mr. Harding, Adria Martinez, Mr. Archer, Ms. Dugan, Ms. Winn, Mr. Weitzner, Ms. Scordato and Ms. Beattie regarding a Brnovich talk. *See Beattie Affidavit, page 14 and Exhibit 28.*
 - On December 3, 2013 at 10:07 a.m., Mr. Mecum drafted a flyer and Mr. Archer sent it to Ms. Dugan, Mr. Mecum and Ms. Beattie regarding the Cuccinelli fundraiser. *See Beattie Affidavit, page 14 and Exhibit 29.*

The available evidence suggests that Mr. Mecum did send the above-described campaign related emails on State time while on duty, and, apart from these emails, did engage in substantive campaign-related work while on duty at the AGO.

Mr. Mecum did not respond to numerous messages left for him. He was, however, interviewed in July 2014 by Don Vogel, in connection with an investigation by a law firm hired by the AGO that had started the investigation but was terminated before formal interviews were conducted. In this interview, Mr. Mecum acknowledged that Mr. Horne had asked him on a number of occasions to perform campaign-related work at the office, and that on occasions Mr. Mecum did so, but generally he told Mr. Mecum he would do the campaign work after 5:00 p.m. Mr. Mecum acknowledged that there were campaign-related discussions at the AGO, which were prompted by Mr. Horne, but these discussions typically did not last more than 20 minutes. He also asserted that Mr. Horne had indicated that “comingling” of campaign work and AGO work at the AGO was permissible, so long as the lost AGO work time was made up later.

In Ms. Beattie’s affidavit, she claims that, according to metadata, Mr. Mecum spent 1,222 minutes working on the fundraising flyer for the Cuccinelli event. During the investigative interview, she acknowledged the possibility that the file had been left open on Mr. Mecum’s computer. Ms. Beattie estimated that she and Mr. Mecum had worked on this flyer for about three hours on State time, and acknowledged that Mr. Mecum may not have worked on the flyer for the 20 plus hours (1,222 minutes) suggested in the Affidavit.

- 16. Issue: Allegedly, Mr. Archer conducted database work for the campaign during work hours and meetings were held between Mr. Archer, Mr. Mecum and Ms. Beattie to work on donor lists, voter ID lists, voter information and other campaign related matters. See Beattie Affidavit, page 15.**

The evidence reflects that, while Mr. Archer wanted to downplay his involvement in campaign-related tasks while on state time, he acknowledged having discussions from time to time while at the workplace with Mr. Horne about campaign related matters. Based on this admission and information from other sources, including Ms. Beattie’s account, the email record, and other evidence, it is clear that the extent of Mr. Archer’s involvement in campaign related matters while on state time was more than merely “water cooler talk,” but rather substantive.

- 17. Issue: Allegedly, on November 21, 2013 at 11:40 a.m., Mr. Archer sent an email to Mr. Horne and Ms. Beattie regarding internal donor solicitation list for the Cuccinelli fundraiser. See Beattie Affidavit, page 15 and Exhibit 30.**

Review of Ms. Beattie’s gmail account revealed that, during Mr. Archer’s employment with the AGO, in the period from August 2013 to April 2014, he sent 29 campaign related emails, of which 16 were sent during normal business hours (0800 to 1700, except 1200 to 1300 hours) when he was working, and 13 were sent outside of normal business hours or during normal business hours when he was not, according to his schedule, working. The extent of his involvement in email transmissions, based solely on the emails he sent to Ms. Beattie, was significant, and not de minimus.

18. Issue: Allegedly, Debra Scordato, Mr. Horne's Executive Assistant, sent numerous campaign related emails, and engaged in other campaign related tasks, while working on State time.

- Email from Debra Scordato to myself, Tom Horne, Margaret Dugan, Brett Mecum and Garrett Archer, regarding a fundraiser for Tom Horne to be hosted by Bill McGibbon and Cindy Coping in Green Valley, with two attached documents dated "Tue Dec 3, 2013," and sent by Debra at 10:04 a.m., attached hereto as Exhibit 19.
- Email from Debra Scordato to at least me regarding the fundraiser headlined by Ken Cuccinelli at the home of Don Tapia for the next day with attachment, dated "Wed Dec 4, 2013" sent by Debra at 12:12 p.m., and attached hereto as Exhibit 20.
- Email from Debra Scordato to Brett Mecum, Debra Scordato, Garrett Archer, Larry Weitzner, Margaret Dugan, Mila Makal, myself, Stephanie Grisham, and Tom Horne, regarding Core Campaign Meeting with attached minutes of meeting, dated "Fri Mar 28, 2014," sent at 11:50 a.m., and attached hereto as Exhibit 23.
- Email from Debra Scordato to at least me, regarding Core Campaign Meeting with attached minutes of meeting, dated "Tue, Apr 1, 2014," sent at 2:54 p.m., and attached hereto as Exhibit 24.

As discussed in the findings to Factual Issues 13 and 14 above, the documentary evidence clearly established, based on information gleaned from Ms. Beattie's private gmail account, that the number of campaign related emails sent by Ms. Scordato during normal business hours, which can be inferred is a fraction of the campaign related emails she sent, constitutes significant campaign work on State time, and is not de minimus. The record also reflects that Ms. Scordato frequently worked more than 8 hours a day.

19. Issue: Allegedly, Tom Horne on frequent occasions made calls to potential campaign contributors in his office at the AGO in the presence of Sarah Beattie; and used and kept in his office a binder surreptitiously labeled with the words "Border Patrol," containing information about and lists of campaign contributors or potential contributors.

While Mr. Horne flatly denied that he ever made any campaign calls from the AGO EXO, Ms. Beattie claims that he did so regularly, particularly in the last three months of her employment (roughly February to April 2014). Mr. Archer did confirm that on one occasion Mr. Horne did make calls from Mr. Archer's office in connection with a fundraising event, so there was independent corroboration that Mr. Horne would make campaign related calls from the EXO. Mr. Archer's commentary tends to bring into question the accuracy of Mr. Horne's broad claim that he never made calls in connection with fundraising from the AGO EXO.

- 20. Issue: Allegedly, on March 25 and 26, 2014, Mr. Horne and various AGO Executive Office employees, who were also associated with Mr. Horne's campaign, participated in a detailed series of emails relating to the status of and problems with the Horne 2014 campaign, and issues with core campaign team members completing assigned tasks. This series of emails evidences that campaign work, or discussion of same, was taking place on State time.**

The email string in question could be characterized as significant campaign activity, from a standpoint of the number of emails, the nature and gravity of the content of the emails, and the number of emails sent during regular business hours. There were significant campaign issues to address, and it appears that an emergency meeting to discuss the issues was hastily scheduled to address the issues that had been raised. Again, a number of the emails were sent during normal business hours.

It was noted that, in this email string, Ms. Beattie authored an email in which she stated, "My call time is limited. I am considered hourly so I have to be there 8 hours a day and I can be off at three however I can prepare things in advance but others who do not have hourly restrictions can also help out with keeping call time on track."

Ms. Beattie indicated that this was toward the end of her employment, and she was getting frustrated that others were not doing their assigned campaign work, but she and Stephanie Grisham were. She also indicated that these kinds of comments were "strategic" because she wanted to create a record that she was segregating her AGO work from her campaign work because she was fearful of eventually getting into trouble. However, she claimed that her AGO work and campaign work continued to be interspersed while she was at the AGO workplace. Ms. Beattie also indicated that, in this time frame, the AGO began receiving public records requests for employee work files and timesheets. According to the documentation received from the AGO in response to our supplemental request for documents, public records requests relating to the timesheets of Ms. Beattie and other core campaign staffers started coming in on or about April 7, 2014.

- 21. Issue: Circumstances surrounding a Core Campaign Meeting held on 4/1/14, in which various statements were attributed to Mr. Horne and Ms. Dugan relating to the work of campaign team members.**

The meeting minutes and interview commentary from both Mr. Horne and Mr. Archer bring into focus the potential problems of having one's campaign staff virtually comprised of employees of the AGO executive offices, and the fact that the campaign hierarchy was essentially the same as the executive office hierarchy. While Mr. Horne claims, as confirmed in core campaign team minutes, that he and Ms. Dugan gave assurances that it was not a problem that employees could not get their "volunteer" campaign work done because they were occupied with AGO work, the employees/"volunteers" could be left in the following quandaries.

- *Should an employee/campaign worker attempt to please Tom Horne, the AG, or Margaret Dugan, the Chief of Staff, or should he or she attempt to please Tom Horne, the candidate for reelection, or Margaret Dugan, the Campaign Manager?*
- *Even though employees may have been told that failure to get their campaign work done was not a problem, did they have reason to believe that failure to do their campaign work might result in their termination or some other adverse employment condition, especially in light of the fact they were at will employees?*
- *Did employees have a reasonable basis for believing that they needed to get campaign work done, because if Mr. Horne was not re-elected, they would almost certainly be out of a job, knowing that a successor Attorney General would likely “clean house” and pick his own executive staff?*
- *How are employees/campaign workers going to interpret Mr. Horne’s statement, as set forth in the minutes of the core campaign team meeting, in obviously the context of campaign work, “If you agree to do something then it needs to get done”?*

Mr. Archer claims that because “none of us could do [campaign] work at the AG’s Office, nothing was getting done.” Mr. Archer’s claim is contrary to Ms. Beattie’s claim that significant campaign work was being done at the AGO; Mr. Archer’s own acknowledgement, in the case of the meeting that took place in Mr. Archer’s own office (See discussion of Factual Issue 2), that campaign work was indeed being accomplished in the office; and statistics relating to the large number of campaign related emails sent during normal business hours by core campaign staff.

A further consideration is the possibility, which has been addressed in this investigation, that while Mr. Horne and Ms. Dugan were emphasizing that the campaign staffers were volunteers, and that they were not required to perform any campaign work, that at least some of the campaign staffers, such as Mr. Mecum, Ms. Beattie and Mr. Archer, were hired on at the AGO not just because of what skill and expertise they might bring to their jobs at the AGO, but also because of the expertise and experience they could bring to Mr. Horne’s re-election campaign.

22. Issue: Role of AGO EXO Staff as Core Campaign Staff; List of Campaign Team titles and responsibilities.

The individuals listed as Campaign Team members in an 8/21/13 list were as follows.

	AGO Position	Campaign Team Role
Tom Horne	Attorney General	Candidate for Re-Election; Horne 2014 Campaign Committee Treasurer
Margaret Dugan	Chief of Staff	Campaign Manager
Kathleen Winn	Director of Outreach and Education	Field Director
Garrett Archer	State & Federal Relations / Policy Analyst	Campaign Analyst

Stephanie Grisham	Press Secretary	Communications Director
Adria Martinez	Constituent Services Manager	New Media Coordinator
Art Harding	Director of Legislative Affairs	Political Director
Brett Mecum	Executive Consultant	Campaign Strategist
Deborah Scordato	Administrative Services Officer II	Finance Coordinator
Sarah Beattie	Administrative Assistant III	Fundraising and Events Coordinator

In summary, the evidence reflects that the core campaign team was virtually comprised of Mr. Horne's executive staff at the AGO. Mr. Horne provided a long list of persons he claimed were volunteers on the Horne 2014 campaign, but it would not appear that these individuals functioned in the capacity of core campaign team members. As seen in the April 1, 2014 core campaign meeting minutes, the core campaign team was comprised of Tom Horne, Garrett Archer, Sarah Beattie, Margaret Dugan, Debra Scordato, Mila Makal, Art Harding, Vanessa Martin, Adria Martinez, Stephanie Grisham and Brett Mecum. It is believed that, of these individuals, all were AGO employees except Mila Makal. Further, with the exception of Ms. Winn and Ms. Makal, by April 2014 the core campaign staff was virtually comprised of employees of the Executive Offices of the AGO.

23. Issue: Circumstances surrounding the background, hiring, AGO work and campaign work of Brett Mecum.

In summary, the evidence suggests that Mr. Mecum was hired at the AGO in part for the purposes of furthering Mr. Horne's campaign. Based on information from Mr. Mecum himself, he was originally contacted by Kathleen Winn about taking a position as Communications Director at the AGO, but he was not interested in this position. Later, Ms. Winn contacted him and indicated that a legislative liaison position was opening up. She invited Mr. Mecum to visit the AGO, and she took him to meet Mr. Horne. During this meeting with Mr. Horne, there was, as Mr. Mecum put it, a discussion about Mr. Horne's "political path to victory." Mr. Mecum advised as well that he was not required to submit an employment application for the AGO position, and given the information provided by the AGO in response to our records request, it would not appear that the job position was posted, or that Mr. Mecum interviewed for the position.

It does appear, based on a preponderance of evidence, that Mr. Mecum performed campaign work while on State time; was instrumental in forming the core campaign team (according to Ms. Beattie, he had a hand in the crafting of the team list of responsibilities); recommended to Mr. Horne that the AGO hire Ms. Beattie and Mr. Archer in part because of their campaign and political experience; considered himself, Ms. Beattie and Mr. Archer to be a campaign "dream team"; and received a raise and promotion while in the employ of the AGO.

It should be noted that the investigators requested information relating to Mr. Mecum's employment application, recruitment for the position(s) he held, documentation relating to raises he received, and reasons for his separation from the AGO. The AGO advised that there was no employment application on file for Mr. Mecum with the AGO. Further, there was no

documentation relating to any competitive recruitment for his position, or any interviews for the position he ultimately received, Legislative Liaison.

The AGO did produce a resume or CV of Mr. Mecum, which reflected employment as a self-employed campaign consultant with Mecum & Associates in Albany, NY from 2/03 to 2/07; as Communications Director (2/07 to 10/07), Political Director (1/09 to 5/11) and Executive Director (1/09 to 5/11) of the Arizona Republican Party; and as a campaign consultant with Intrepid Global Strategies from September 2011 to the time he started to work for the AGO in early 2013. While Mr. Horne claims that Mr. Mecum was ideally suited to function as Legislative Liaison for the AGO, which may be true, he was perhaps more perfectly suited to function as a campaign consultant to the Horne 2014 campaign.

24. Issue: Circumstances surrounding the background, hiring, AGO work, transfer, raises and campaign work of Sarah Beattie.

Investigative Findings, Issue 24

In summary, based on a preponderance of evidence, the following conclusions can be drawn.

- Contrary to the position of Ms. Winn, a preponderance of evidence suggests that, at the lunch meeting involving Ms. Winn, Mr. Mecum and Ms. Beattie, there was discussion about what Ms. Beattie could do for the Horne 2014 campaign. According to Ms. Beattie, this lunch meeting took place well prior to the formal interviews for the position.*
- Mr. Horne acknowledges that Ms. Beattie was, at least in part, hired at the recommendation of Mr. Mecum, although reportedly the position was posted and other applicants were interviewed. Ms. Beattie indicated, however, that she had lunch with Kathleen Winn and Brett Mecum well prior to the interview, and a primary topic of conversation at that lunch was Mr. Horne's campaign and how Ms. Beattie could assist with the campaign.*
- Mr. Horne's position that he had no knowledge, before Ms. Beattie was hired and she volunteered to help him with campaign fundraising, that she had a background as a political operative/campaign worker, is not credible.*
- While Mr. Horne denies that Ms. Beattie was hired for even the partial purpose of working on his campaign, the evidence appears to indicate that she, Mr. Mecum and Mr. Archer were considered by some to be part of a campaign "dream team."*
- One of Mr. Horne's longtime friends and apparently trusted subordinates, Kathleen Winn, informed Mr. Horne that Ms. Beattie was a horrible employee, to the point that Ms. Winn threatened to quit if Ms. Beattie was retained. Despite receipt of this information, Mr. Horne elected to transfer Ms. Beattie (and Ms. Winn did not resign). Mr. Horne's explanation in the investigative interview was basically Ms. Winn was a*

“difficult” supervisor, and several other persons in the past had experienced difficulties with Ms. Winn but prospered after they were transferred. However, the fact that Ms. Winn was so critical of Ms. Beattie, as an employee and as a person, would seemingly be very important for Mr. Horne to weigh when deciding to retain her. An inference can be fairly drawn that Mr. Horne elected to keep Ms. Beattie at the AGO not because of her skills as an employee – again, Ms. Winn claims that Ms. Beattie was an astoundingly poor employee – but for other reasons, the most logical being that she could provide assistance to his campaign for re-election.

- Ms. Beattie was not only retained and transferred, but a new position was created for her in Constituent Services, and she was given a raise. The work Ms. Beattie did in Constituent Services had previously been performed by unpaid interns. Roughly \$35,000 was allotted per year (her salary) to have Ms. Beattie work in a position that had previously cost the AGO nothing.*
- At or around the time Ms. Beattie was transferred, she also received a raise. Mr. Horne’s explanation for giving her a raise makes no sense, because the persons who had previously been doing Ms. Beattie’s work in Constituent Services were unpaid interns. More likely, she was given the transfer and the raise because Mr. Horne wanted to keep her on board at the AGO because of the assistance she gave or could give to his campaign.*
- Only a month after receiving the transfer and the first raise, from roughly \$32,000 to \$35,000 a year, she was given another raise to about \$45,000. Keep in mind that Ms. Beattie had only been doing the job in Constituent Services for about a month, and the job itself involved responding to letters and emails from constituents, which Ms. Dugan acknowledged was basically an entry level position requiring only good writing skills. Further, the job had previously been performed by unpaid interns. Mr. Horne’s explanation for both raises was that some state employees don’t get paid very much, and he wanted to help Ms. Beattie, claiming that he had a history of giving employees raises. This explanation does not appear to be credible – the most likely explanation for the transfer and the raises is Ms. Beattie giving assistance to Mr. Horne’s campaign.*

This investigators requested, and the AGO provided, records relating to constituent contacts received by the AGO for calendar 2011, 2012, 2013 and 2014. We recorded the number of constituent contacts by month for each year, yielding the following statistics.

Month	2011	2012	2013	2014
January	26	35	27	47
February	114	67	38	36
March	107	66	32	47
April	81	46	20	23
May	104	56	39	57
June	108	59	17	54
July	88	55	27	73

August	105	40	21	56
September	87	29	32	19
October	115	33	32	1
November	75	14	38	
December	44	30	34	
Total	1054	530	357	413

Total Calls 2011-2014 = 2,354

Ms. Beattie held the position of Administrative Assistant in Constituent Services from September 2013 to the time of her resignation in April 2014, a period of 8 months. During this period there were 289 constituent contacts received, or an average of 36 contacts per month. Assuming there are 20 days in a work month, the average number of constituent contacts received per day was 1.8 contacts. Presumably, 2 constituent contacts a day would occupy a relatively short period of time, and certain not involve the majority of the day for an Administrative Assistant assigned to handle constituent contacts. This information is consistent with Ms. Beattie's claim that her assigned work as an Administrative Assistant in Constituent Services, except at times when she was working on special projects, was over by 10:00 a.m. Ms. Beattie claims that the vast majority of her work time was occupied by campaign-related activities, not the business of the AGO.

25. Issue: Circumstances surrounding the background, hiring, AGO work, and campaign work by Garrett Archer.

In summary, while both Mr. Horne and Mr. Archer made what appears to have been considerable effort in the interviews to claim that Mr. Archer did not do any substantive campaign work on State time, the preponderance of evidence suggests that this is not the case, and that he did at times engage in significant campaign work. As discussed under Allegation B, it was also apparent that Mr. Horne was aware of Mr. Archer's campaign expertise and experience, and his campaign had paid Mr. Archer for consultant services on September 2, 2013 (see campaign report found under Exhibit 37) after Mr. Archer applied for AGO employment on August 15, 2013 and before Mr. Archer first day of employment with the AGO, September 23, 2013 (see Archer employment records under Exhibit 13). The campaign reports do not reflect that the Horne campaign paid Archer's business for consultant services after Mr. Archer became an employee of the AGO. There is also significant evidence that Mr. Archer was hired by the AGO at least in part due to his political/campaigning acumen.

26. Issue: Overall Review of the Email Record (Beattie's personal email account) and participation of AGO employees in campaign-related emails.

We were provided with access to Sarah Beattie's email account, and created screen prints of the emails listed in her Inbox and Sent folders for the time frame from August 2013 to April 2014. The Inbox email screen prints are provided herewith as Exhibit 18, while the Sent emails screen prints are provided as Exhibit 19.

After identifying the universe of emails found on Ms. Beattie's gmail account, we began the process of identifying those emails that appeared to have some relation to the 2014 Horne Campaign, and created a table constituting a Master List of these emails sorted chronologically, which is provided herewith as Exhibit 20. We found a vast number of sent emails in the period from August 2013 through April 2014 on Ms. Beattie's email account relating to the 2014 Horne Campaign in which Ms. Beattie would have been the Sender or Receiver.

We prepared a table (Exhibit 25) reflecting the emails sent by persons specifically associated with the Horne 2014 core campaign team. We endeavored to determine, for selected core campaign team members:

- (a) the total number of sent campaign related emails, irrespective of time of day or whether they were on duty;*
- (b) the number of campaign related emails that were sent during what is typically normal business hours, 8:00 a.m. to 5:00 p.m., excepting lunch, from 12:00 p.m. to 1:00 p.m., on work days (Monday to Friday), when the employees were working, according to their time sheets; and*
- (c) the number of emails sent at times other than normal business hours, or during normal business hours when the employees were not working, according to their timesheets.*

The investigators considered this to be the fairest approach to assessing what campaign related emails were sent by selected core campaign team members during a typical workday. It would have been virtually impossible to actually interface the timing of sent emails with work schedules, insofar as there are no documents reflecting when core campaign team members actually started work, ended work, took a lunch break, or took breaks on any given day. It has been assumed, for the purposes of this analysis, that typically, persons will be working during the hours the AGO was open, from 8:00 a.m. to 5:00 p.m. on State time, and will take an hour lunch.

We were advised that, after Sarah Beattie started working in Constituent Services, her hours changed from 7:00 a.m. to 3:00 p.m., or 7:30 a.m. to 3:30 p.m., or there was other variability in her work attendance, so it is possible that at least some emails for her sent emails in this study, e.g., between 7:00 a.m. and 8:00 a.m. would not be included in the list of emails sent during "normal business hours."

Employee	Total sent campaign-related emails	Emails sent during working hours (0800 to 1700, except 1200 to 1300 hours) when employee was working	Emails sent in other than normal working hours or during normal business hours but the employee was not working.
Archer, Garrett	29	16	13
Beattie, Sarah	426	239	187
Dugan, Margaret	6	3	3
Grisham, Stephanie	19	11	8

Horne, Tom	46	23	23
Martinez, Adria	14	14	0
Mecum, Brett	40	28	12
Scordato, Debra	125	83	42
Winn, Kathleen	14	9	5
TOTALS	719	426	293

Based on this analysis, the number of emails sent by AGO employees associated with the 2014 Horne campaign, during normal business hours, is significant and not de minimus, as Mr. Horne has claimed, and suggests further that significant campaign work was taking place during normal business hours. It is fair and reasonable to assert that, in connection with the campaign, based on solely on information gleaned from Ms. Beattie's private email account, 423 emails sent during normal business hours is significant. Again, it is reasonable to assume that a fraction of the campaign-related emails were disclosed during this investigation. It is also evident that, of the campaign-related emails sent by Ms. Beattie, as well as by persons other than Ms. Beattie, the majority of them were sent during normal working hours.

It was evident during the interview of Mr. Horne that when a campaign email sent during working hours was discussed, he tended to assert that the email must have been sent during someone's "break" or lunch hour, or before or after work, after the employee had adjusted his or her schedule. He also mentioned this in passages of the Horne Responses. However, using this logic, after the fact any exempt employee could say they were on "break" at any time during the working day. The email record generated from review of Ms. Beattie's gmail account suggests that the number of emails sent relating to the 2014 campaign during normal business hours is the proverbial "tip of the iceberg."

Mr. Horne has also taken the basic position, in an attempt support his contention that campaign related emails during the work day at the AGO was de minimus, that many of the emails were short, and it would take only a very short time to create and send, or receive and review, such emails. This is to a degree true. However, studies show that the amount of time spent by employees checking and handling their work and personal email is significant. The time spent is not just in the reading or responding to personal emails, but also the time spent in distraction and interruption from regular work tasks while checking one's work or personal email at work. Gloria Mark, Professor of Infomatics at the University of California Irvine, in a fastcompany.com interview¹ relating to her study and paper entitled, "The Cost of Interrupted work: More Speed and Stress,"² described the effects of work interruptions.

When is interruption counterproductive?

¹ <https://www.fastcompany.com/944128/worker-interrupted-cost-task-switching>. See Exhibit 38.

² This study is found in Exhibit 38, a collection of articles and papers relating to the time spent in the workplace, according to studies, managing emails and dealing with work interruptions.

It's generally counterproductive if you're working on one task and you're interrupted on a completely different topic. People have to shift their cognitive resources, or attentional resources, to a completely different topic. You have to completely shift your thinking, it takes you a while to get into it and it takes you a while to get back and remember where you were.

How long does it take people to get back on task?

We found about 82 percent of all interrupted work is resumed on the same day. But here's the bad news — it takes an average of 23 minutes and 15 seconds to get back to the task.

27. Issue: Campaign Finance Reporting; Rock Products

The preponderance of evidence indicates that the Horne 2014 campaign paid \$100 to Rock Products for use of the facility and phones for campaign meetings. While the precise number of meetings held there was not determined, Mr. Trussell, the Executive Director, indicated that “many” campaign meetings were held there, and Mr. Horne also visited Rock Products for the purpose of making calls to donors, sometimes in the presence of Ms. Beattie.

28. Issue: Alleged crying fit of Sarah Beattie on April 8, 2014

As regards this issue, the main thrust of the Horne Responses and the statements was that, during the course of the meeting on 4/8/14, Ms. Beattie was upset that she was not permitted to do campaign work on State time, she was being “watched like a hawk” to make sure that she was not doing campaign work on State time, and she was unable to get her campaign work done. It is interesting to note that on 4/7/14, the day prior to the alleged “crying fit,” a public records request had been submitted to the AGO, requesting, among other things, Ms. Beattie’s time sheets, and on 4/8/14, she submitted an email severing her involvement with the Horne campaign.

Ms. Beattie’s position is slightly different, basically claiming that she was upset that others were not getting their part of the campaign work done, but were rather leaving the office early, not that they were so busy with AGO work that they could not get their campaign work done. See Detailed Findings for Factual Issue 28 in Section III of this report.

29. Issue: Secondary Employment Forms of Sarah Beattie and other AGO EXO employees.

Mr. Mecum did not submit any Notifications of Secondary Employment, asserting that he had outside employment, until 5/12/14. After the submittal of Ms. Beattie’s complaint, on or about May 12, 2014, Mr. Mecum submitted a series of Notifications, two on June 16, 2014 (Wake Up America and DavePAC) and three on October 7, 2014 (PaulPAC, Beachbody and Arizona Rock Products Association PAC).

Mr. Archer submitted a Notification on 9/23/13 advising of his self-employment with Archway Strategic Communications, and then on 4/1/14, declared (again) that his outside employer was

Archway, and also sent an email on 4/1/14 advising that his clients were several political/campaign organizations.

Ms. Beattie advised through Notifications on 9/4/13 that she was working for Barry Goldwater, Jr., on 2/25/14 that she was working for Kwasman for Congress, on 3/24/14 that she was working for PACs for Sheriff Babeu, and on 4/7/14 that she was working for Tom Horne for AG.

Ms. Beattie claimed in the supplemental interview that the first three Notifications were relating to paid work for Mr. Goldwater and two campaigns. As to the April 7, 2014 Notification, Ms. Beattie commented that she submitted this upon learning that a records request had been submitted by the Capitol Times for her timesheets. She denied having spoken with the Capitol Times prior to this records request, or knowing on what information the request was made.

According to Ms. Beattie, she did not receive compensation from campaign funds for her work on Mr. Horne's campaign. Ms. Beattie indicated that Margaret Dugan did not believe that it was necessary for Ms. Beattie to submit the April 7, 2014 Notification, and it was Ms. Dugan who had crossed out "Employment" and wrote in "Volunteer." Ms. Beattie indicated that she had inserted the hours (after 3:00 p.m.) because this was what she was "saying" about her work at the AGO in this time frame. She doesn't deny that she tried to adhere to this schedule, but claims that this was only for a matter of weeks before she resigned. Emails from Ms. Beattie reflects that she withdrew from active participation in the campaign on April 8, 2014 and submitted an email of resignation on April 21, 2014. It would appear that the Public Records Request from the Capitol Times for her timesheets had a profound effect on Ms. Beattie's concern about continuing involvement in the Horne campaign.

30. Issue: Background / Credibility of Sarah Beattie.

In summary, while Mr. Horne brought forth issues relating to Ms. Beattie's background and credibility, many of the issues cited were at best peripheral to the primary issue of her motivations for making the complaint to the SOS. Further, Mr. Horne did not provide compelling reasons to believe that Ms. Beattie purposely fabricated the information contained in her Affidavit out of self-interested motives. The evidence suggests that Ms. Beattie had very little to gain, whether personally, financially, or in terms of career advancement, by complaining about the conduct of Mr. Horne.

E. IDENTIFICATION OF ALLEGATIONS OF MISCONDUCT; SUMMARY FINDINGS

Based on the scope of the investigation, the information gathered in the investigation, the relevant A.R.S. and AGO policies, and the findings relating to the Factual Issues, various Allegations of possible misconduct or violation of statutes or policy were identified, as set forth in Appendix D. What follows is a listing of the allegations and a recital of the summary findings. Detailed findings relating to these allegations are set forth in Section IV of this report.

A. Were employees of the Arizona Office of the Attorney General performing work or tasks, toward furtherance of Tom Horne’s 2014 re-election campaign, on State time or using State resources, in violation of provisions of Title 41, and if so, did Mr. Horne condone, authorize and facilitate these violations?

Provisions of A.R.S. § 41-752. The meetings, communications and other campaign related activities carried out during the business day while on duty, as discussed in the Factual Issues, would appear to fall under the category of engaging “in activities to advocate the election or defeat of any candidate,” which is discussed in A.R.S. § 41-752. The persons, based on a preponderance of evidence, who had, to varying degrees, engaged in these activities include Tom Horne, Garrett Archer, Brett Mecum, Sarah Beattie, Debra Scordato, Kathleen Winn, Margaret Dugan and Stephanie Grisham. It is also apparent, based on the evidence, that the campaign work while employees are on duty was significant and not de minimus or “water cooler talk.”

Mr. Horne appears to have employed three defenses.

1. The employees in question were not engaging in substantive or “significant” campaign activities, but rather their activities were “insignificant,” discussions were akin to “water cooler talk,” and the extent of the campaign related emails was *de minimus*.

The number of campaign emails unearthed in Ms. Beattie’s private gmail account alone is remarkable, and it is reasonable to conclude that this number is a fraction of the total volume of campaign related emails involving core campaign team members while they were on duty. The email statistics we derived about persons other than Ms. Beattie were based solely on emails she received or sent. It is reasonable to conclude that the others sent campaign emails to persons other than Ms. Beattie and she was not copied. Further, there is evidence of campaign related meetings and activities that appear to have been significant.

2. The employees in question, as regards specific incidents, were either on their breaks or had atypical schedules so that they engaged in campaign activities only when they were on breaks or otherwise not on duty, before or after their normal hours.

This defense is at best speculative, because there is no way for employees to assert with any degree of certainty that they were on break, lunch hour or not working because of a schedule adjusted from normal business hours, on the vast number of times they, for example, sent campaign related emails during the normal business day.

3. Mr. Horne appears to be asserting what he seems to consider an infallible position that the salaried employees (who were also “exempt” employees by virtue of falling into the categories listed in A.R.S. § 41-742.F) do not really have a “schedule” per se, and when they were in the office and engaged in campaign activities, they were by definition not “on duty,” but they nonetheless put their time in and established that the hours they listed on their timesheets were duty hours by “certifying” that the hours were correct.

At first glance, this position might initially be considered unassailable – it is difficult to prove that the employees did not actually work the “on duty” hours for the AGO listed on the timesheets, but is also apparent that there is no independent way they could prove they were “on duty” for the hours listed. Mr. Horne appears to be relying on the certification as proof, claiming that these persons would not have falsified their timesheets because they had “certified” they were true.

For this explanation to have any significance, from an evidentiary standpoint, the employees would need to keep records of their start and end times, breaks, lunch break, time spent on AGO work, time spent on the campaign, and time spent on other personal activities. None of this type of information was generated, recorded or required. It is also notable that, in all likelihood, employees may not have recorded their hours on a daily basis, but rather at the end of the week or at the end of the pay period, which begs the question how an employee would even know or remember whether the extent to which they had engaged in State work on State time, consistent with the hours listed on their timesheets, as opposed to campaign work or other personal activities while on State time.

The preponderance of evidence suggests that members of the core campaign team did engage in substantive campaign work on State time, commingle their campaign activities with their work time, and conduct political/campaign meetings in the office, in violation A.R.S. § 41-752.

Provisions of the AGO Solicitor General’s Office Memorandum dated 9/5/13, Re: Limitations on Political and Campaign Activities of AGO Employees, are relevant to this discussion.

The Memo states that the statutes relating to political activity exist in part for the advancement of governmental interests, which include “an enhanced government work force of efficient, apolitical employees.” The evidence collected in the investigation suggests that, in the case of the AGO EXO employees serving on the core campaign team, the government interests advanced by the statutes did not include “apolitical” employees; rather, this was a group of employees who were “dual citizens” in the AGO workplace and in the heart of a partisan political campaign.

The section of the Memorandum relating to the “Appearance of Impropriety” suggests that AGO employees “...Avoid any conduct that would create the appearance that you are using your state position to support or oppose a political candidate, or that state resources are, were, or may be used to further any political campaign. Avoid any conduct that might call your motives, truthfulness or integrity into question, or might reflect adversely upon the Attorney General or this office.” It would not appear that Mr. Horne and others in the AGO EXO who functioned on the core campaign team exercised discretion to avoid the appearance of impropriety

The preponderance of evidence suggests that members of the core campaign team did engage in substantive campaign work on State time, commingle their campaign activities

with their AGO work while on duty for the AGO, and conduct political or campaign-related meetings in the office, all contrary to the memorandum in question.

Provisions of A.R.S. § 16-192. *This statute prohibits the state and all political subdivisions of the state from using public resources to “influence an election,” which is defined, in essence, as “supporting or opposing a candidate... for election to public office.”*

Given the provisions of A.R.S. § 16-192, the central question to be addressed is this:

Were Mr. Horne and other AGO EXO personnel attempting to influence an election (Mr. Horne’s 2014 re-election campaign) during the period from August 2013 to April 2014 using public resources?

The evidence reflects that various employees engaged in “influencing an election,” supporting a candidate for election to public office (Tom Horne’s re-election efforts in 2014).

This statute provides a broader scope of “public resources” than employees merely being “on duty” when assessing whether public resources have been used. The evidence reflects that, among the public resources used in these efforts, were buildings and facilities, vehicles (1 occasion), computer hardware and software, state internet services, and personnel.

The preponderance of evidence also suggests that members of the core campaign team engaged in activities in attempt to influence an election (campaign related activities) using public resources, in violation of A.R.S. § 16-192.

- B. Were certain employees, under the pretext of being “volunteers” in the 2014 Horne re-election campaign, with Mr. Horne’s knowledge and authorization, receiving compensation through State funds for their campaign work and expertise on the 2014 re-election campaign, even though their campaign work was not exclusively performed on State time or using State resources?**

Mr. Horne issued flat denials that Mr. Mecum, Ms. Beattie and Mr. Archer were brought on board at the AGO because of their fluency and experience with campaigning and politics, which could have been very helpful to Mr. Horne’s campaign. He also denied that he had advance knowledge, before they were hired by the AGO, of the abilities of Ms. Beattie and Mr. Archer as campaign consultants. However, the preponderance of evidence indicates that Mecum, Beattie and Archer were hired on at the AGO, at least in part, for their political acumen and ability to help the campaign (at no cost to the campaign or Mr. Horne). Further, whether these individuals engaged in campaign work while on duty at the AGO is in a sense moot – their compensation for their campaign work was their jobs at the AGO, and as to Ms. Beattie, a transfer and raises after only a short

period of employment with the AGO. Further, both Mr. Mecum and Mr. Archer received promotions and raises despite having been employed by the AGO for relatively short periods of time.

C. If employees were engaging in campaign related activities while on State time at State expense, and not strictly as volunteers, did Mr. Horne, as the Treasurer of the Horne 2014 Campaign Committee, fail to properly report their work on the campaign's behalf as in-kind contributions?

The first question is whether employees engaged in campaign related activities while on duty and being compensated by the State, and the answer, based on a preponderance of evidence, is that members of the 2014 Horne core campaign team were indeed doing so, as discussed in the findings of Allegation A and various Factual Issues. It cannot be determined, with any degree of probability, how much time was spent engaging in campaign related activities on State time, other than to assert that the time was significant and not de minimus or "water cooler talk," as it has been characterized by Mr. Horne.

Even assuming that Mr. Horne would agree (which he has not done) that employees were engaging in campaign activities while on duty, and he, as treasurer of the campaign committee, should report the monetary value of this in-kind contributions to the Secretary of State on the required reports, it is difficult to discern how Mr. Horne or anyone else would come to any reasonable conclusions about the monetary value of such in-kind contributions absent some sort of system (which was not used) in which employees kept track of their State work vis a vis their campaign work while on duty.

The fact that the amount of work time spent on campaigning activities cannot be reasonably calculated does not mean that Title 16 reporting statutes were not violated. However, the commingling of work and campaign activities, while employees were on duty, obscures what hours should have been reported.

D. Did Tom Horne, by hiring political consultants for the primary purpose of furthering his re-election campaign, violate Conflict of Interest statutes by using his position to secure personal benefits that would not ordinarily have accrued to him in his position as Attorney General?

The preponderance of evidence reflects that Mr. Horne did hire Mr. Mecum, Ms. Beattie and Mr. Archer in part for the purpose of having experienced political consultants or campaign operatives on his core campaign staff, and their compensation came in the form of a job, including salary and benefits, paid by the State. As to A.R.S. § 38-504.C, the evidence indicates that, in doing so, Mr. Horne used or attempted to use his official position, Attorney General, to secure a valuable thing for himself and his campaign that would not ordinarily accrue to Mr. Horne in the performance of his duties, and that this benefit would or could have had a substantial or improper influence on Horne with respect to his duties.

E. Did Tom Horne, as Treasurer of the 2014 Horne campaign for re-election, fail to properly report in-kind contributions from Rock Products for use of office space for campaign meetings during the 2014 campaign, in violation of provisions of A.R.S. Title 16?

As discussed in Factual Issue 27, the only reference to Rock Products in any campaign reports filed by the Horne 2014 campaign in 2013 or 2014 was a \$100 cash payment on 4/12/13 for "Use of Space and Phone." There was no record of an in-kind contribution by Rock Products, such as free rent at the facility, which was reportedly used as a meeting space for campaign purposes or as campaign headquarters of the Horne 2014 campaign.

Clearly, given the many occasions that Rock Products was used for campaign meetings, which were held, according to Mr. Horne, twice a month, as well as visits by Mr. Horne for the purposes of making calls to donors, the campaign had under-reported the fair market value of the in-kind contribution of space by Rock Products for use by the campaign.

Research (see Exhibit 33) reflects that meeting room space at Phoenix area hotels ranges from \$75 to over \$1000 for half day rental of a conference/meeting room, depending upon the location, and at commercial office buildings, the hourly price ranges from a low of \$50 to significantly higher amounts. Given these estimates, it would appear that there was an in-kind contribution by Rock Products for donation of space (over and above the \$100 payment made by the campaign), that was not reported by the Horne campaign.

F. PERSONS INTERVIEWED

Absent the authority to subpoena witnesses, a number of the AGO personnel, who were considered to be to some degree possibly knowledgeable about the allegations presented by Ms. Beattie, refused, directly or through their legal counsel, to be interviewed, or simply failed to respond to repeated requests for interviews. Obtaining witness accounts in this investigation was challenging because, if at least some of what Ms. Beattie has alleged is true, a number of persons employed in the Executive Offices (EXO) of the AGO could possibly be subject to findings of violations of various provisions of A.R.S. as well as AGO policy. That said, a number of interviews were conducted, yielding, along with documentary evidence, dispositive evidence, using preponderance of evidence as the standard of proof, about various aspects of Ms. Beattie's allegations.

The following persons were interviewed as part of this investigation.

- Sarah Beattie, Administrative Assistant III, 8/8/14 and 11/4/16 (Supplemental Interview)
- Debbie Jackson, Director of Administrative Services, 12/2/14
- Kathleen Winn, Director of Outreach and Education, 3/12/15
- Margaret Dugan, Chief of Staff, 3/19/15 (interviewed in presence of her counsel, Karen Nygaard)
- Teresa Ottesen, Horne Campaign Volunteer, Pinal County, 3/8/16

- Tom Horne, (former) Attorney General, 3/14/16 (interviewed in presence of his counsel, Dennis Wilenchik)

The following individuals, either directly or through legal counsel, declined to be interviewed, or otherwise did not respond to repeated requests for interviews.

- Garrett Archer, State & Federal Relations/Policy Analyst (represented by David Dow, who provided the transcript of Interview by Cmdr. Mark Stribling of the Maricopa County Attorney's Office in lieu of interview; declined to be interviewed)
- Rick Bistrow, Chief Deputy Attorney General (contacted and he advised that all the information he had was contained in Horne Response documentation; and he declined to be interviewed)
- Patti Carl, Executive Staff Assistant (represented by David Dow)
- Stephanie Grisham, Press Secretary (represented by David Dow)
- Krystal Gonzalez, Administrative Assistant I (represented by David Dow)
- Vanessa Martin (represented by David Dow)
- Adria Martinez, Constituent Services Manager (represented by David Dow)
- Brett Mecum, Executive Consultant (Mr. Mecum failed to respond to or acknowledge numerous telephone messages. The investigators did obtain from the AGO the transcript of the interview of Mr. Mecum, reportedly on 7/8/14, by Private Investigator Don Vogel.)
- Linda Miller, Program Specialist II (represented by David Dow)
- Deborah Scordato, Administrative Services Officer II (represented by David Dow)

G. TIME FRAME UNDER INVESTIGATION

The time frame of the activities subject to inquiry in this investigation was, generally, August of 2013 to April of 2014 ("subject time frame"), during Ms. Beattie's employment with the AGO. However, there were various events that preceded August 2013 or occurred after April 2014 that were salient to, or helped explain, the events that occurred during the subject time frame.

II. AGO DOCUMENTARY SOURCES AND BEATTIE PRIVATE EMAIL ACCOUNT; INVESTIGATIVE ANALYSIS

The complete list of documentary sources reviewed in this investigation is set forth in Appendix E, List of Exhibits. In the following section of this report, we will discuss specific documentation requested from the AGO, what was received, and the general relevance of this documentation. On August 5, 2014, a letter (Exhibit 10) was submitted by Mr. Hamblin to the AGO requesting certain documentation, and on September 4, 2014, Dennis Carpenter, on behalf of the AGO, submitted a written reply (Exhibit 11) and provided documentation responsive to the request from the investigators.

Also discussed are additional documents received from Sarah Beattie and access to Ms. Beattie's private email account.

A. AGO RECORDS

The investigators, early in the investigation, submitted a request for information and documentation to the AGO. Dennis Carpenter, Chief Counsel of the AGO Employment Law Section, was designated as the liaison for the release of requested documentation to the investigators. Various documents were produced including the following.

1. AGO Employee Timesheets (Exhibit 12)

Pursuant to request, the AGO provided timesheet audit documentation (Exhibit 12) relating to the following individuals (also referred to in this section of the report, along with Mr. Horne, as "selected core campaign team members") for the period from 8/1/13 to 4/30/14.

- Sarah Beattie
- Garrett Archer
- Brett Mecum
- Debra Scordato
- Kathleen Winn
- Margaret Dugan
- Stephanie Grisham

With the exception of Sarah Beattie, the above individuals were all salaried (exempt) employees. Relevant information from these timesheet audits is discussed in the findings relating to various Factual Issues. The Attorney General, Tom Horne, did not complete timesheets.

These timesheet audits were helpful in discerning patterns of attendance and other factors that proved to be relevant to the issues under investigation.

A listing of the leave hours taken by Sarah Beattie from August 1, 2013 through April 22, 2014, according to a timesheet audit from the Business & Finance Division of the Attorney General's Office, is provided in Appendix F.

2. AGO Employee Personnel File Documentation (Exhibit 13)

We requested and received limited Personnel File documentation relating to selected core campaign members. This documentation, which was generally confined to application for employment, personnel action forms (PAFs), and other similar documents, is referenced in the discussion of various Factual Issues.

3. AGO Calendar Entries

We requested Digital files or records of Calendar entries, whether in "Outlook" or other scheduling programs or databases used by the AGO, from August 1, 2013 to April 22, 2014 for selected core campaign members.

In response, Dennis Carpenter advised initially this item was pending, pending discussions with the AGO EXO. Ultimately, the records were not make available.

4. AGO Employee Internet Use (Web Browser History)

We were provided with Excel spreadsheets containing information relating to the web browser histories of selected core campaign team members. Information gathered during the forensic analysis of these files is presented in Appendix G.

5. AGO WIFI Access Records

We requested records relating to WiFi access by selected members of the core campaign team. The AGO provided the following response.

From our Director of ISS: "The AGO wifi infrastructure is only configured to store 30 days of logs. The AGO does not have any data logs for the timeframe 8/1/13-4/22/14."

6. AGO Employee Hard Drive Forensic Review (Exhibit 15)

We were provided by the AGO with digital files (Exhibit 15) containing images of the C drives of the computers assigned to the following employees. We forensically reviewed the data, and what was discerned is summarized in Appendix H.

7. AGO User or "Public" Drive Records

We requested digital files or records created and stored on the AGO User or Public drives from August 1, 2013 to April 22, 2014, for selected campaign team members, including Sarah Beattie,

Tom Horne, Margaret Dugan, Kathleen Winn, Brett Mecum, Garrett Archer, and Debra Scordato.

Initially, our liaison, Dennis Carpenter, Chief Counsel for the AGO Employment Law Section, advised that he was “checking on the logistics in providing this information with our ISS (Information Services Section),” but ultimately expressed concern about broad release of such documentation because of the vast amount of legally privileged information that could be in such files, given the principal work of the AGO. The investigators informally withdrew the request for this documentation or digital evidence.

8. AGO Electronic Access Records

We requested Electronic Access records (Key-card and card-swipe) for all exterior entrances and for the Executive Offices of the AGO, located at 1575 W. Washington, Phoenix, AZ, from August 1, 2013 to April 22, 2014 for the core campaign team members.

In response, Dennis Carpenter advised that AGO does not have this data and that the card swipe entry system is maintained by the Arizona Department of Administration, which, advised Mr. Carpenter that the records would not be released for security reasons.

9. AGO Email Records

We requested AGO Email records for the period from August 1, 2013 to April 22, 2014 for selected core campaign team members.

In his response, Mr. Carpenter indicated that all email records not archived by employees themselves are deleted from the system after 30 days. Litigation holds were placed upon the account of the individuals named in the request in May of 2014, with the exception of Tom Horne and Kathleen Winn, whose litigation holds on their emails go back to July of 2012. Mr. Carpenter advised in his 9/4/14 response letter that the AGO “was in the process of pulling those emails that we have on the system responsive to your request.” We did not receive an updated response on this issue.

10. AGO Organizational Charts (Exhibit 16)

We were provided with organizational charts for the AGO Executive Office.

AGO Responses to June 14, 2016 Records Request

In response to a June 14, 2016 records request from the investigators, the AGO provided the following additional documentation or confirmation that no responsive records could be located.

11. Employment Applications, Resumes or CVs of Brett Mecum (Exhibit 56)

We requested employment applications, resumes or CVs submitted by Brett Mecum to the AGO, insofar as none of these documents were provided in response to prior records requests for personnel records relating to Mr. Mecum. In response, the AGO did not provide any employment applications, which would suggest that none may not have been submitted, but did provide a copy of an undated resume or CV listing the following experience.

- Principal, Intrepid Global Strategies LLC, September 2011 to the present. In this position, Mr. Mecum developed campaign strategies and tactics for various political candidates and engaged in other actions related to other activities.
- Executive Director, Arizona Republican Party, January 2009 to May 2011.
- Political Director, Arizona Republican Party, October 2007 to January 2009.
- Communications Director, Arizona Republican Party, February 2007 to October 2007.
- Independent Consultant, Mecum & Associates LLC (Albany, NY), February 2003-February 2007, engaging in campaign work.

12. Records reflecting Severance of Brett Mecum from the AGO (Exhibit 57)

In response, we received from the AGO an email dated November 17, 2014 from Brett Mecum to Debbie Jackson, in which he states, “as a follow up to my previous e-mail, my last work day in the AGO will be Friday, November the 28th. I will be starting with the Arizona House of Representatives on Monday, December 1st, thank you.”

13. Secondary or Outside Employment forms submitted by Mecum, Archer and Beattie (Exhibit 58)

Brett Mecum. As to Brett Mecum, the following notifications of secondary employment were received from the AGO.

- Notification dated February 1, 2013 reflecting he had no secondary employment.
- Notification dated October 7, 2014, in which the secondary employer was identified as Paul PAC, in which he was going to function as a fundraising consultant for three weeks in October (2014). This was the Paul Goser Political Action Committee. Mr. Mecum declared that he was not going to be doing any work on state time.
- Notification dated October 7, 2014, in which Mr. Mecum said that he was going to be working for Beachbody of Santa Monica, CA re: commission based sales on fitness products, which he claimed that he was not going to be doing on state time.
- Notification dated October 7, 2014, in which he identified his secondary employer as Arizona Rock Products Association – Rock PAC. His duties were consulting for Rock

PAC on voter outreach strategies for targeted legislative races, which he was going to do off-site on his own time.

- Notification dated June 6, 2014, in which he declared his outside or secondary employer as Dave PAC, in which he was going to be engaged in the event planning and coordination for several Dave PAC events June to November, on his personal time and on an as needed basis.
- Notification dated June 16, 2014, in which the outside or secondary employer listed was Wake Up America. His duties included conference event planning and coordination for a Wake Up America conference to be held September 4 to 7, 2014. His work was to be on personal time and on a as needed basis.

Garrett Archer. Garrett Archer's notifications of outside or secondary employment, according to documents produced by the AGO, included the following.

- April 1, 2014 email from Mr. Archer to Debbie Jackson, subject: "Clients I work with," in which he identified four entities, Summit Consulting Group, LLC, Blue Point Consulting Group, LLC, Schweikert For Congress, and Arizona Research Project ARP. He claimed that none of the contracts were in governmental affairs, and that all were for data processing.
- Notification dated April 1, 2014, in which he identified his outside or secondary employer as Archway Strategic Communications, LLC (self-employment). He declared that his hours of work for Archway were from 6:00 p.m. to 8:00 p.m. Monday through Friday.
- September 23, 2013 Notification, in which the secondary employer is identified as Archway Strategic Communications, technical consultant, with his hours of work to be after 5:00 p.m. on Mondays through Fridays.

Sarah Beattie. The following notifications were submitted by Sarah Beattie.

- Notification dated September 4, 2013 identifying the secondary employer as Barry Goldwater, Jr., with duties in accounting, on Thursdays for five hours and Saturday from 9:00 a.m. to 1:00 p.m.
- Notification dated February 25, 2014, identifying the secondary employer as Kwasman for Congress, in which her job duties were consulting/fundraising, with no indication of what her hours would be.
- Notification dated March 24, 2014 in which she identified her secondary employer as Sheriff Paul (Babeu) State and Federal PAC, in which her duties were to serve as a fundraiser on April 9, Saturday, for four hours.

- Notification dated April 7, 2014 identifying her secondary employer as Tom Horne For AG, with her supervisor listed as Margaret Dugan, and her job duties “assisting with fundraising.” Her hours of work were to be two hours each day on Monday through Saturday, with the times of day not indicated. This notification was not signed by any supervisor.
- Notification dated April 7, 2014, in which Ms. Beattie identified her employer as Tom Horne For AG, and her dates of employment as September 13-14, 2014, “dates of ~~employment~~ volunteer.” Her job duties were identified as “assisting with fundraising,” and her supervisor as Margaret Dugan. It is notable that in her description, the word “employment” is crossed out and replaced with “volunteer,” as in “dates of volunteer.” She claims that she was working from 3:00 to 5:00 p.m., two hours each day, on Monday through Friday, for the campaign. This notification was signed by Adria Martinez and Margaret Dugan on April 9 and 10, 2014, respectfully. It is also noted that the title of the document has been changed from “Notification of Secondary Employment” to “Notification of Volunteer.”
- Notification dated April 7, 2014, in which Ms. Beattie identified her employer as House/Senate Victory PAC dinner, April 22 (2014), and indicated that her duties were going to be fundraising between April 6 and April 22, 2014, two hours each from Monday to Friday, from 5:00 to 7:00 p.m., and Saturdays and Sundays for two hours each from 10:00 a.m. to 12:00 p.m. This document was also signed by Adria Martinez and Margaret Dugan.

14. Performance Reviews of Mecum, Archer and Beattie (None)

In his July 21, 2016 response, Mr. Fry of the AGO indicated that, “no responsive documents have been located.”

15. Recruiting/Hiring Files, Transitional Employment Records for Mecum, Archer and Beattie (Exhibit 59)

Brett Mecum. As to the documentation relating to the advertisement or recruitment for the position granted to Brett Mecum, the only documentation provided by the AGO was an email chain of January 24, 2013, in which Brett Mecum sent an email on January 24, 2013 at 9:31 a.m. to Kathleen Winn, subject: My Resume, in which he stated, “In case you need it, on my way down.” Ms. Winn subsequently forwarded the email to Tom Horne, and Tom Horne forwarded the email to Debbie Jackson with a text, “Applicant for Courtney’s job.” Subsequently, Ms. Jackson sent an email to Human Resources and Margaret Dugan, attaching Mr. Mecum’s resume, with the following text: “Please draft an announcement from Margaret to review to begin advertising for this position. In the meantime, add this resume to the list.” No other documentation was provided as to whether there were interviews or a competitive recruitment for the position, which would tend to suggest that this position was not subject to competitive recruitment.

As to documentation concerning Mr. Mecum's raise, on May, 2013 Art Harding wrote to Margaret Dugan requesting that Mr. Mecum receive a salary increase to \$70,000, adding the following.

He has demonstrated experience and capability above and beyond what is normally expected for this position. In order to assure that the AGO retains his value in the face of any competing offers, I suggest we compensate him appropriately.

In a response email, Ms. Dugan approved the increase, and Debbie Jackson stated, "I think this takes him over the salary of the position. Please review this the set aside positions or maybe duplicate the Admin Proj Manager I grade 22 for this."

Documentation concerning both Archer and Beattie. As to the hiring or advancement of Garrett Archer and Sarah Beattie, Debbie Jackson on September 5, 2013 sent an email to Vicki Salazar and Margaret Dugan, confirming their conversation, that the AGO would not be filling Doug Nicks' position but rather using it to fill two positions, one to create a double fill for the position of Executive Consultant II, grade 22, to bring Garrett Archer into the position at a salary of \$60,000, effective September 16, 2013; and the second position, Admin Assistant III, grade 17, which would be used for Sarah Beattie with a salary of \$35,000, effective September 9, 2013. Reportedly Ms. Beattie would be reporting to Art Harding, as would be Mr. Archer. In a subsequent communication, Debbie Jackson indicated that Sarah's position would have the title of "Legislative/Constituent Services Assistant," and that Garrett Archer would be reporting to Margaret Dugan. In another communication, Debbie Jackson indicated that Garrett's position would be "Federal and State Communications/Policy Analyst," and Sarah's Beattie's title would be "Constituent Services Assistant," reporting either to Adria Martinez or Margaret Dugan.

Archer Hiring. As to Garrett Archer's original hire, in an email dated August 7, 2013, subject FW: Garrett Archer resume, Debbie Jackson reported she was working with Tom Chanal on a Program Project Specialist position, grade 19, for mortgage fraud, which would be funded through the Mortgage Fraud Settlement Fund. She wrote further, "Attached is a resume of the person that they want to hire in this position. The salary will be \$53,549. I will confirm all of this as we move forward on start date and final information." This email and Mr. Archer's resume were subsequently passed on to Michelle Davis and Kay Gee.

In the AGO application for employment of Garrett Archer, dated August 14, 2013, he acknowledged that he had never previously worked for the State of Arizona. His prior employment included work for Representative David Schweikert from January 2011 to the present (2013), where he worked as a District Representative and had an ending salary of \$42,000 per year; Lincoln Strategy Group, from August 2008 to December 2010 as Director of Information Technology, for which he earned \$50,000 per year; and the Arizona Republican Party, from September of 2007 to August of 2008, where he was the Director of Information Technology, earning \$50,000 per year. Attached to the application was Mr. Archer's resume. In a December 18, 2013 email, Kay Gee advised that Mr. Archer was being moved into the Training Officer III, grade 21 position, effective December 7, 2013. No records were produced

indicating that the position for which Mr. Archer was hired was competitively recruited, with creation of a Candidate Selection Form and interviews of applicants.

Beattie Hiring. As to Ms. Beattie's initial position, the AGO provided a Personnel Requisition Form for the position of Admin Assistant III, \$32,000 per year, and the supervisor would be Kathleen Winn. Ms. Winn signed this requisition on July 25, 2013. Also completed was a Position Description Questionnaire for the Admin Assistant III, working under Kathleen Winn, Community Outreach Director, which was signed by the outgoing incumbent, Madison MacDonald on July 24, 2013, Ms. Winn on July 25, 2013 and Sarah Beattie on August 5, 2013.

A Candidate Selection Form, dated July 26, 2013, reflects that six individuals were interviewed for the position, the two persons with the highest score (a tie) were Sarah Beattie and Joshua Strickland.

AGO documentation reflects that on July 24, 2013, Sarah Beattie forwarded her resume to Kathleen Winn, who in turn passed it on to Marie Bonell, with a request that the resume be added to the pool of applicants. In her transmittal email, Ms. Beattie had mentioned her DUI conviction, and in Madison MacDonald's email to Marie Bonell, MacDonald stated, "Please see the note at the bottom as well, with regard to Sarah's personal history."

Based on the documentation received from the AGO, it would not appear that Mr. Mecum or Mr. Archer were involved in a competitive recruiting process before they were hired for their positions. It would appear that recruiting for the position for which Ms. Beattie was hired was competitive, and she was one of six persons interviewed. That said, according to Ms. Beattie, it would appear that the interview of Ms. Beattie took place after she had gone to lunch with Brett Mecum and Ms. Winn to discuss her campaign experience and possible employment with the AGO.

16. Records Re: Establishment of Constituent Services position (Sarah Beattie's position) (Exhibit 60)

The only records produced by the AGO relating to this issue was an email string beginning with a September 5, 2013 email from Debbie Jackson to Vicki Salazar and Margaret Dugan, confirming their conversation, that the AGO would not be filling Doug Nicks' position but rather using it to fill two positions, one to create a double fill for the position of Executive Consultant II, grade 22, to bring Garrett Archer into the position at a salary of \$60,000, effective September 16, 2013; and the second position, Admin Assistant III, grade 17, which would be used for Sarah Beattie with a salary of \$35,000, effective September 9, 2013. Reportedly Ms. Beattie would be reporting to Art Harding, as would be Mr. Archer. In a subsequent communication, Debbie Jackson indicated that Sarah's position would have the title of "Legislative/Constituent Services Assistant," and that Garrett Archer would be reporting to Margaret Dugan. In another communication, Debbie Jackson indicated that Garrett's position would be "Federal and State Communications/Policy Analyst," and Sarah's Beattie's title would be "Constituent Services Assistant," reporting either to Adria Martinez or Margaret Dugan. There appeared to have been

some discussion, if not confusion, about what Ms. Beattie's title was going to be and to whom she was going to be reporting.

17. Records Re: Work by Interns or Others in Constituent Services (None)

We had asked the AGO to produce documentation reflecting what persons, prior to September of 2013, had been serving as Interns in Constituent Services as well as relevant information relating to their start and end dates, hours they worked, income they earned (if any), and the persons to whom they reported. We also asked for documentation reflecting whether Interns continued to work in Constituent Services after September of 2013. The AGO reported that there was no documentation responsive to these requests. Sarah Beattie indicated that, when she started to work at Constituent Services, Adria Martinez, not interns, was handling constituent contacts.

18. Records Re: Constituent Contacts in Calendar 2011, 2012, 2013 and 2014 (Exhibit 61)

We received documentation of the Constituent Contacts received and handled by the AGO Constituent Services Unit for calendar 2011, 2012, 2013 and 2014. We analyzed this documentation, in an effort to discern the number of Constituent Contacts per month, and this data is reflected in the following table.

Month	2011	2012	2013	2014
January	26	35	27	47
February	114	67	38	36
March	107	66	32	47
April	81	46	20	23
May	104	56	39	57
June	108	59	17	54
July	88	55	27	73
August	105	40	21	56
September	87	29	32	19
October	115	33	32	1
November	75	14	38	
December	44	30	34	
Total	1054	530	357	413

Note that in 2014, according to the records received from the AGO, there was only one reported constituent contact in October, and none in November and December.

To determine what the constituent contact load was for Ms. Beattie, during her employment in Constituent Services at the AGO from September 2013 to April 2014, we totaled by month the number of constituent contacts from September 2013 through April of 2014. The monthly average over this 8 month period would have been 36 constituent contacts per month. Assuming a 20 day work month, these records would indicate that, on the average, Ms. Beattie would have handled 1.8 constituent contacts per day.

19. Public Records Requests received by AGO from 1/1/14 to 4/30/14 Re: timesheets or personnel records of selected employees (Exhibit 62)

We requested copies of all Public Records Requests from January 1, 2014 through April 30, 2014, for time sheets or other personnel records of AGO employees, including selected persons associated with the 2014 Horne campaign. The AGO produced the following records.

- April 7, 2014 request from the Arizona Capitol Times for the time sheets of Sarah Beattie, Stephanie Grisham, and Brett Mecum.
- April 14, 2014 request from Stephen Lemons of the Phoenix New Times for information concerning Brett Mecum's employment, including hourly wage, start date, salary history, job history, current job title and resume.
- April 14, 2014 request from Stephen Lemons of the Phoenix New Times for employment records relating to Stephanie Grisham.
- April 14, 2014 request from Stephen Lemons of the Phoenix New Times for employment records reflecting the daily duties of Brett Mecum.
- April 14, 2014 request from Stephen Lemons of the Phoenix New Times for all emails of Brett Mecum from February 1 to February 28, 2014.
- April 14, 2014 request from Stephen Lemons of the Phoenix New Times for text mails, cell phone messages, smart phone messages and iPhone messages of Brett Mecum from February 1, 2014 to February 28, 2014.
- April 15, 2014 email that requests from Stephen Lemons of the Phoenix New Times for all time sheets of Brett Mecum, January 1, 2014 to the present.
- April 28, 2014 request from Jeremy Duda of the Arizona Capitol Times for employment relating to Sarah Beattie, including her salary history, pay raises, changes in job descriptions, promotions.
- April 28, 2014 request of Yvonne Wingett of the Arizona Republic requesting Tom Horne's response to allegations in Sarah Beattie's resignation email, as well as information as to her job at the AGO as well as in the Tom Horn campaign, whether she worked for the campaign, when Beattie was hired to work at the AG's office and at what salary, what her last days were, and so forth.
- April 28, 2014 request from Yvonne Wingett of the Arizona Republic for documentation as to whether Sarah Beattie had filed a whistleblower letter or allegations of reprisal.

- April 29, 2014 request from Yvonne Wingett of the Arizona Republic requesting records in which Horne staffers were discussing his campaign, including emails.

As suggested in the foregoing, given the AGO documents produced, there appears to have been no PRRs received for AGO EXO personnel records or timesheets prior to April 7, 2014, which appears to have been a bellwether day for Ms. Beattie. On that date, the first public records request was submitted for the timesheets of Ms. Beattie, Mr. Mecum, and Ms. Grisham; and she submitted a number of Notifications of Secondary Employment, attempting to create, it would appear, space between her participation on the campaign and her work at the AGO. The following day, on April 8, 2014 she had the alleged “crying fit” (see Issue 28) and withdrew via email from active participation in the campaign. Later, on April 21, 2014, Ms. Beattie submitted via email her resignation. It would appear that the Public Records Request from the Capitol Times for her timesheets had a profound effect on Ms. Beattie’s concern about continuing involvement in the Horne campaign and employment with the AGO.

20. AGO Policy & Procedure No. ISS-1, Re: Internet and Email (Exhibit 63)

Pertinent provisions of this policy include the following.

IV. GUIDELINES ON PERSONAL USE OF THE INTERNET AND EMAIL.

Authorized personal use of the Internet and email is a policy decision that recognizes the reality of the workplace. Users have a legitimate need at times to contact family and friends and take care of a certain amount of personal business during the workday. Limited use of the Internet and email for personal reasons is therefore permissible. Personal use of State computers to access and use the Internet or to send and use email is permissible if the use complies with this Policy, which requires compliance with GITA Statewide Policies P401, Email Use and P501, Internet Use. If there is any doubt about whether the use complies with the Policy, consult your immediate supervisor or Section Chief Counsel.

Users shall comply with the following guidelines for personal Internet and email use:

- A. Users may only use the Internet and email for personal reasons during personal time (*i.e.*, before or after a user’s scheduled work hours or during a break) and shall limit such incidental use to a reasonable duration.
- B. If a user receives a personal email from anyone that he or she considers inappropriate or unwelcome, the user shall ask that person to refrain from sending him or her similar emails in the future. If a user receives such a request, he or she shall not send the requester such emails.
- C. Personal use of the Internet must not result in any additional expense to the State.
- D. Users shall not conduct any commercial (for profit) business through the Internet or Office email (for example, conducting the sale of a vehicle or otherwise soliciting others to participate in any commercial activity is not acceptable, but making personal travel arrangements during personal time or breaks is permitted).

- E. Personal use of the Internet and email must not interfere with State business.
- F. To avoid establishment of religion concerns, if a user sends an email containing a religious message, symbol, or greeting, the user shall notify the recipient that the email is personal and does not reflect the opinion of the State of Arizona.
- G. **Because users are identified as State employees, users shall not use email to further political activities (for example, using email to further one's own or someone else's partisan or nonpartisan political campaign).**
- H. Users shall not claim to represent the views or position of the State, and shall not make unauthorized commitments or promises of any kind purporting to bind the State.

AGO Responses to December 15, 2016 Records Request

In response to a December 15, 2016 records request from the investigators (Exhibit 65), the AGO, with a December 19, 2016 letter (Exhibit 66), provided the following additional documentation or confirmation that no responsive records could be located.

21. Transcript entitled “Interview of Brett Mecum, July 8, 2014” (Exhibit 67) and Audio Recording (Exhibit 68)

As background, the law firm Ridenour Hienton & Lewis, PLLC, through John P. Kaite, Esq. and David G. Derickson, Esq., was engaged by the AGO on or about June 18, 2014 to “represent the Office of the Attorney General so as to investigate certain claims made by Sarah Beattie that were filed with the Secretary of State and the Clean Elections Commission through her attorney, Thomas Ryan, on May 12, 2014,” according to a letter signed by Eric J. Bistrow, Chief Deputy at the AGO. (Exhibit 69) It is believed that Mr. Vogel was engaged by Ridenour Hienton & Lewis to assist with the assigned investigation. Reportedly, this investigation was discontinued before any formal interviews were conducted.

The AGO, in response to a records request from the assigned investigators, advised that the AGO had only 1 recording and transcript, namely, the 7/8/14 interview by Don Vogel of Brett Mecum. This interview does not appear to have the character of a formal interview, but rather appears to be preliminary in nature, with arrangements made at the end of the discussion for Mr. Mecum to visit again for a formal interview. The AGO reports that it has no other transcripts or recordings of interviews of witnesses relating to this matter conducted by representatives of Ridenour Hienton & Lewis, PLLC or Mr. Vogel.

B. BEATTIE GMAIL ACCOUNT, CAMPAIGN RELATED EMAILS AND OTHER DOCUMENTATION

As set forth in detail in the discussion of Factual Issue 26 later in this report, Ms. Beattie provided a password to her personal gmail account and permission for the investigators to access, review, copy and analyze her emails and in some cases email attachments. This

documentation was particularly helpful in providing information about the scope of the exchange of campaign related emails between core campaign team members.

In addition to providing access to the gmail account, Ms. Beattie and/or her attorney, Thomas Ryan, provided documentation that was not a part of the initial complaint, which comprised of the Beattie Affidavit and the 30 Exhibits thereto. These additional documents (Exhibits 17.1 through 17.14) are discussed at points in the findings relating to various Factual Issues in this report, as well as in the Compilation of Relevant Data (Appendix A). These documents are also enumerated in the List of Exhibits (Appendix E).

III. INVESTIGATIVE FINDINGS RE: FACTUAL ISSUES

As discussed earlier in this report, the approach taken in the preparation of this report was to first set forth conclusions, based on a preponderance of evidence, about what events transpired, insofar as there were widely divergent accounts set forth in the Beattie Affidavit, on the one hand, and the various Horne Responses, on the other.

- 1. Issue: Allegedly, Ms. Beattie spent two hours of her work day in Constituent Services working on state business and the remaining time was spent on campaign work for Mr. Horne. See *Beattie Affidavit*, pages 4, 9.**

Investigative Findings, Issue 1

Ms. Beattie claims that, during the roughly six week period she worked in Community Outreach for Kathleen Winn, she primarily did State work and only occasionally did campaign work while on State time. However, after her transfer to Constituent Services, where she was supervised by Adria Martinez, the amount of time she spent on campaign work, while on State time, increased, and reportedly averaged about 2 hours a day responding to constituent communications or work on other short term projects, and about 6 hours a day working on campaign matters while on State time. Ms. Beattie clarified during the interview that these figures were averages. Ms. Beattie provided in the investigative interview the following further clarifications.

SB: ...I mean, it wasn't everyday there were two hours, I mean, there could have been two or three days where I worked eight hours a day on Constituent Services work and the rest of the week did nothing, I mean, I'm just averaging it out, there wasn't a lot of work to do which is why I requested that they pull my computer history and look at the email history, look at my official phone history, look at my web browser history and you'll see that that is 100% consistent with what I said. (p. 8, Exhibit 26)

The evidence presented by Mr. Horne and witnesses submitting statements that were part of the Horne Responses to the Reasonable Cause Notice, including the following.

- Mr. Horne claims that the AGO "takes seriously the obligation to make sure that all employees work 40 hours per week on state work, or that if they don't, their pay is reduced accordingly." (6/2/14 Horne Response)
- Mr. Horne asserted that Ms. Beattie "had repeatedly and emotionally complained that her hours were "watched like a hawk" to be sure she put in 8 hours a day of legitimate state work before she could do any volunteer political work." (6/2/14 Horne Response)

Ms. Beattie acknowledged in the interview that, from time to time, she was told by Ms. Dugan not to perform campaign work on State time, but Ms. Beattie interpreted Ms. Dugan's comments as self-serving, and these comments from Ms. Dugan came toward the end of Beattie's

employment, when the media was reportedly submitting public records requests for timesheet and other records of AGO employees.

MH (M. Hamblin): ...When she said if she knew that you were spending much of your day on campaign work, and then periodically she'd come around and say, you know, make sure you don't spend your time doing, your work hours doing campaign work, was she doing that tongue in cheek or was she trying to cover herself or....

SB: It was all a CYA. I mean, it wasn't, and it was only, like I said, it would only happen when requests would come in from outlets or, you know, I remember one time I was pulled into Brett's office or Stephanie, Brett and I were having a discussion and Stephanie was saying delete anything you don't want seen from your personal email just in case, dah, dah, dah, dah, dah, dah, dah. So weeks like that, Margaret would get more strict about what we were doing but, like I said, everybody else came and went as we pleased. We all did campaign work on State time. It never really slowed down. In fact, there were several occasions where I went to my supervisor's office and I said, "Horne keeps pulling me away from official work" and she said if Horne says you need to do something, you just have to drop what you're doing and do what Horne says. That's just unfortunately how it works. (pp. 30-31, Exhibit 26)

- Mr. Horne asserted that, at an off-site campaign meeting, Ms. Beattie had a crying fit, complaining that her time was being watched so that she did not do campaign work on state time. (6/2/14 Horne Response) Witnesses statements were provided by Tom Horne, Margaret Dugan, Vanessa Martin, Mila Makal, and Art Harding purporting to corroborate this position.

Ms. Beattie's position, about the alleged crying incident, which is discussed in detail under Factual Issue 28, was as follows.

SB: The whole staff was at that meeting. And that was one of the weeks where they had cracked down, but that was also the week that you're holding the hand printed thing where I was expected to get all the fundraisers done and I wasn't crying because only my time, or because my time was being watched, but I was saying because my hours cut were being FOIAed by the press, I was the only one honoring the 8-hour system and taking leave without pay at that point because I had gotten a little paranoid and then what had happened was Art Harding, Stephanie and Adria all got very upset with me because they thought I'd thrown them under the bus for cutting out of work early, etc., etc., and they actually, Art didn't speak to me for about two days after that because they felt I was tattling, that nobody was honoring the system except for me, and I will one hundred percent stand by that because that's not what happened at all, and anybody who looks at that overwhelming list of fundraisings I had to plan, that's why I was crying. And I didn't understand why all the other workers could come and go as

they wanted, and I was the only one being diligent or trying to be diligent and taking pay cuts that I didn't have to take. I filled out my time cards. I'm the one that put all of that in there. (p. 32, Exhibit 26)

- Mr. Horne asserted that, if this allegation on the part of Ms. Beattie is true, she violated policies of the AGO requiring that she perform State work on State time, and falsified her timesheets.

Ms. Beattie readily acknowledges that, there were significant periods of time when she did not put in 8 hours a day working on State tasks on State time, but rather worked a significant amount of State time on campaign tasks. Her position is that this was done with the knowledge and indeed blessing of Mr. Horne and other supervisors, and that other EXO employees had also done so.

- Mr. Horne asserted that Ms. Beattie having taken off work, with paid or unpaid leave, shows that she was not doing campaign work on state time, but only doing campaign work when she was on leave.

This clearly flies in the face of the central contention of Ms. Beattie, that she had engaged in significant campaign work on State time. Ms. Beattie acknowledges that, because she had been informed from time to time not to do so, she at points did not record work hours when she had been working on campaign matters. She was in part upset by the fact that other employees, who were exempt, were not even putting in their 8 hours at the workplace.

- Ms. Dugan on a number of occasions counseled Ms. Beattie that she should not be doing campaign work on State time, and that she needed to put in 8 hours of State work on State time. Ms. Dugan also claims that, if Ms. Beattie had been putting in that many hours on campaign work while on State time in the AGO, Ms. Dugan, who was in the office adjacent to Ms. Beattie's work area, would have known.

As discussed above, Ms. Beattie does not deny that Ms. Dugan told her on occasions that she should only be doing State work on State time. Ms. Beattie's position was that she was not always at her desk, but frequently in Mr. Horne's office when he made calls to donors, or was speaking with other AGO staff relating to campaign matters.

- Mr. Horne asserts that, if Ms. Beattie was actually working 6 hours a day on the campaign, there was nothing to show for it.

It is not clear what sort of expectation Mr. Horne had as to what type of work product he would expect from 6 hours a day of campaign work. The type of campaign work Ms. Beattie was performing does not translate neatly into a tangible, physical object like a report.

- Ms. Winn, Ms. Beattie's initial supervisor at the AGO, claimed in the investigative interview that she repeatedly had to tell Ms. Beattie to do her job, not because she was

working on campaign related tasks, but because Ms. Beattie was generally distracted. In her statement attached to the initial Horne Response, Ms. Winn stated, "From my initial meeting until she left my area she was always wanting to involve herself in the campaign."

Ms. Beattie's position is that Ms. Winn did indeed tell her at times to do State work on State time, but there were other occasions that Ms. Winn pressed her to do campaign work "stat," as discussed in Factual Issue 12. Further, Ms. Beattie envisioned her primary job not as handling Ms. Winn's calendar, during her roughly 6 week stint under Winn, or responding to citizen complaints in Constituent Services (which previously had been handled by unpaid interns), during the time she worked under Adria Martinez. Ms. Beattie took the position that she was brought in primarily to give assistance to Mr. Horne's campaign. In Ms. Beattie's opinion, working on a campaign was part of her career path, which is evidenced in her prior employment, and she considered herself a capable campaign operative in the area of finance.

- Ms. Winn pointed out in a Supplemental Statement, dated 8/1/14, that Ms. Beattie's September 11, 2013 email (sent at 7:46 a.m.), which was directed to various employees, asking them to secure campaign endorsements for Mr. Horne, was sent on a day that Ms. Beattie was not at work.

This was confirmed. Ms. Beattie was not on duty on 9/11/13, but rather had taken leave without pay.

As to other information obtained:

- Notably, there was no statement provided by Adria Martinez attached to the Horne Responses. Through her attorney, Ms. Martinez declined to be interviewed as part of the present investigation. We were therefore unable to obtain Ms. Martinez's position about how Beattie came to be transferred to Constituent Services, what Ms. Beattie's work load was in Constituent Services, and how much time Ms. Beattie spent working on State work on State time as opposed to campaign work on State time.
- Ms. Winn claims in her 8/1/14 supplemental statement that she was not aware of Ms. Beattie doing any work on state time. As discussed under Factual Issue 12, the evidence reflects that Ms. Winn was directing Ms. Beattie to do campaign related work on State time.
- The evidence reflects that Ms. Beattie was working in a job in Constituent Services that had been created for her, and previously had been handled by unpaid interns. Ms. Beattie claims that there was simply not enough Constituent Services work to substantially fill her work day, and that typically, she would be done responding to constituent communications by 10:00 a.m. In his interview, Mr. Horne claims that, at the Department of Education, there were four paid employees responding to constituent communications, but at the AGO, only one, Ms. Beattie. He further claims there were more constituent communications, with a greater degree of importance, at the AGO, and

Ms. Beattie was handling these alone. However, Ms. Beattie points out that the vast majority of responses to constituent communications was to redirect them to another office, and rarely did a response require any research or deliberation. She characterized her job in Constituent Services as an elementary position that did not require a significant degree of experience or knowledge.

The investigators obtained records from the AGO of Constituent Contacts for calendar 2011, 2012, 2013 and 2014. These records reflect that in the 8 months (September 2013 to April 2014) that Ms. Beattie worked in Constituent Services, there were 289 constituent contacts, or an average of 36 per month, and given a 20 day work month, an average of 1.8 constituent contacts per work day. This would appear to substantiate Ms. Beattie's position that the constituent contact work was minimal.

Based on the totality of the information and evidence obtained in the investigation, it is unclear if Ms. Beattie was actually spending on the average of 6 hours of her work day on campaign work and 2 hours a day on State work during the time she worked in Constituent Services. That said, the record shows that she spent a substantive amount of time during the AGO work day working on campaign-related projects; that her supervisors were aware of her activities in this regard; and that she had received mixed messages from both Ms. Winn, Ms. Dugan and Mr. Horne about whether she should be doing campaign work on State time.

- 2. Issue: Allegedly, Ms. Beattie participated in a discussion to host a fundraiser with duties assigned to certain staff members including calling possible donors, securing a host (Donald Tapia), and preparing a fundraiser flier for the event, which was then distributed to most of the Executive Office for review and edit. The discussion was in Mr. Archer's office with Mr. Horne, Mr. Mecum, Mr. Archer and Ms. Beattie during work hours. See Beattie Affidavit, pages 5-6.**

Investigative Findings, Issue 2

The Beattie Affidavit reads as follows on this issue.

12. I recall a time that Tom Horne, Brett Mecum, Garrett Archer and I were in Garrett Archer's office discussing where would be the best place to host a fundraiser for Tom Horne's Reelection campaign with Ken Cuccinelli as the headliner. Tom Horne reviewed a list of possible donors that I had. Tom, Brett and I made several phone calls to possible donors as hosts. Finally Tom Horne decided that Donald Tapia's residence would be the best place to host the event, and Tom Horne placed the call from Garrett's office to Mr. Tapia, who then agreed to host the event. After Mr. Tapia agreed to host the event, Brett, Garrett and I prepared the fundraiser flyer and it was sent to most of the members of the Executive Office for review and edit. This was all done during working hours.

In the Horne Responses, Mr. Horne acknowledges that the meeting took place, but claims that it was “de minimus” and took no longer than 5 minutes. In the investigative interview, Ms. Beattie claims that the conversation in Mr. Archer’s office on this matter was an hour long, and that the fundraising flier took about three hours to create. Mr. Archer and Mr. Mecum did not provide statements on this issue that were part of the Horne Responses, and they declined to be interviewed in the present investigation.

However, Mr. Archer was interviewed relating to this issue by the MCAO (see Archer Transcript, Exhibit 32), and essentially confirmed Ms. Beattie’s account, while claiming that the meeting had a duration of about 10 minutes, adding that “these things would happen from time to time,” but “it was just discussion.”

It was I think in December, or maybe November, I don’t remember, and Ken Cuccinelli had just come off a loss, but it was a (inaudible) loss in Virginia. Tom wanted to get him out here to do a fundraiser so, and he would do this often, he would come in and talk for like 10 minutes you know, no big deal, and he came in and you know, asked a couple of people about it and just kind of talk about it, and I would just kind of sit there and listen, I really didn’t have any input into these things, it was a short meeting, but those things would happen from time to time. It was just discussion. (Exhibit 32, Archer Interview by MCAO)

Mr. Archer went on to say that there was discussion about possible locations, and reasserted that the meeting lasted about ten minutes or so.

Mr. Archer acknowledged that Mr. Horne and Mr. Mecum made phone calls relating to the Cuccinelli fundraiser from Mr. Archer’s office. He recalled Mr. Horne and Mr. Mecum calling people, and asking about using a house for the event, but he denied any recollection of the specifics. He claimed that “it didn’t take that long” and that a cell phone was used, although he did not remember whose phone. He thought that one of the individuals whose house they were trying to get for the fundraiser was named Donald Tapia.

The preponderance of evidence reflects that the events occurred as alleged, and the meeting was a substantive meeting, lasting 10 minutes long (according to Mr. Archer), and Mr. Horne and Mr. Mecum made calls relating to the campaign. This clearly appears to be substantive campaign activity at the AGO EXO during normal working hours. Further, as Mr. Archer noted, “those things,” referring to short meetings relating to the campaign, “would happen from time to time,” suggesting that this was not a singular occurrence of a campaign related meeting at the AGO EXO.

- 3. Issue: Allegedly, on March 6, 2014 and other occasions, Mr. Horne provided Ms. Beattie’s AGO office number to coordinate fundraising events and she had to send out a reminder to the Executive Office to stop using her office phone number for campaign events. See Beattie Affidavit, page 6 and Exhibit 8.**

Investigative Findings, Issue 3

Ms. Beattie's account in her Affidavit was as follows.

13. Tom Horne consistently gave my official office number to people for fundraising events. Multiple times I asked Tom Horne not to give out my office number for fundraising or campaign related purposes. I got so frustrated with him that I sent out an email to members of the Executive Staff to ask them not to give out my official office phone number during campaign events and included Tom Horne on it. See email dated March 6, 2014, and attached hereto as **Exhibit 8**. Although I sent the email to everyone, it was really meant specifically for Tom Horne who kept giving out my number to people for fundraising purposes.

Mr. Horne's account in his 5/30/14 statement was as follows.

7. The allegations of paragraph 13 are false. The phone number that I used when I called Sarah was her cell phone number, and that is the number I would have given, if I had given her number to someone, which certainly would not have been a frequent occurrence. If I ever did give out her state number, which I do not remember doing, it would have been an error and an isolated instance.

The fact that Ms. Beattie felt compelled to send out an email to AGO staff tends to suggest that Mr. Horne (or others) giving out her office telephone number was not a single isolated event, but rather a response to multiple occasions when her office phone was given out in connection with fundraising events.

From: Sarah Beattie <sarahbeattie88@gmail.com>
Date: Thu, Mar 6, 2014 at 12:18 PM
Subject: REMINDER
To: Debra Scordato <debcis@gmail.com>. Stephanie Grisham <grishamstephanie@gmail.com>, Adria Martinez <adriamartinez2547@gmail.com>. Tom Horne <tomhorne2824@gmail.com>. "brett@mecum.us" <brett@mecum.us>. Garrett Archer <gwarcher@gmail.com>. Margaret Dugan <margaretdugan2010@gmail.com>

PLEASE DO NOT give contacts you meet at events or otherwise the office line to reach me, unless it is a constituent related matter. The state phone is for OFFICIAL use only.

In case anyone doesn't have it my PERSONAL CELL PHONE is [redacted]

The preponderance of evidence suggests that the events occurred as alleged, although Mr. Horne claims that he never gave out her AGO work telephone number, although he acknowledged that this may have occurred in error. Regardless, Mr. Horne's response begs the question why Ms. Beattie would feel compelled to send out a somewhat terse email to her supervisor and the head of the department, Mr. Horne, if Mr. Horne and others had not been giving out her AGO number in connection with the campaign.

- 4. Issue: Allegedly, in February 2014, Ms. Beattie was asked by Mr. Horne to delete a campaign-related email he replied to from an Executive Staff member who mistakenly sent the email from her official office email account. See Beattie Affidavit, page 6.**

Investigative Findings, Issue 4

In her Affidavit, Ms. Beattie's account was as follows.

14. About three months ago, someone from the Executive Office sent out a campaign email and used my official sarah.beattie@azag.gov email address. I replied all and told everyone, including Tom Horne, to delete my office email address from the email chain. Tom Horne hit "reply all" without deleting my official email address. I don't recall if I hit "reply all" or just emailed at least Tom Horne, but again I asked for my official email address to be deleted from the chain. Tom Horne came to my desk and apologized "I really messed up, didn't I?" Tom Horne then instructed me to delete the email and then stood over my shoulder to ensure that I had deleted it. I did delete the email however it should still be available on the server. I knew that was not right and I voiced my frustrations to other members of the Executive Office staff about being pressured to delete the email.

Mr. Horne's statement of 5/30/14 on this issue is as follows.

8. With respect to paragraph 14, I did once mistakenly push the button for Beattie's official email address where I intended to send it to her personal email address. Office policy when a non official email arrives at a state computer is to delete it, but this is not intended to hide anything, and does not hide anything, as responses to public record requests are from a centralized record, not the individual computer.

9. Paragraph 14 appears irrelevant as it refers to a lunch time occurrence.

In the investigative interview, Ms. Beattie contends that the incident occurred at about 10:00 a.m., and not during lunch hour.

The preponderance of evidence suggests that the events occurred as alleged. Mr. Horne erroneously sent a campaign related email to Ms. Beattie's AGO email address, then came to her office and stood by while she deleted the email. Mr. Horne claimed that these events occurred over the lunch hour, while Ms. Beattie indicated that the events occurred mid-morning.

- 5. Issue: Allegedly, on October 15, 2013, Ms. Beattie was asked to meet Mr. Horne at Molina's Fine Jewelry to discuss a possible fundraiser. Ms. Beattie attests that the**

travel and discussion at the store were during her work hours. See Beattie Affidavit, page 7 and Exhibit 9.

Investigative Findings, Issue 5

Mr. Horne, in response to this allegation, claims that Ms. Beattie had given him a ride to Molina's Fine Jewelry to explore the possibility of using the store as a campaign fundraising event. Mr. Horne claims that this occurred over the lunch hour, and Ms. Beattie was not present for the entire meeting. Ms. Beattie did not recall if she drove Mr. Horne to the meeting, but did recall that she was present at the store for about 45 minutes when the possibility of a fundraiser there was discussed. In the interview, Ms. Beattie acknowledged that she had no evidence to dispute that visit to the jewelry store took place during her lunch hour, but she pointed out that she really didn't have a lunch hour, and would occasionally go get food and take a lunch on rare occasions, during the time that she worked for the AGO.

The preponderance of evidence suggests that while the persons present at Molina's Fine Jewelry may have left before 12:00 p.m. to travel from the AGO EXO to the jewelry store, the meeting was held by all accounts more or less over the typical lunch hour of 12:00 to 1:00 p.m.

- 6. Issue: Allegedly, Mr. Horne "routinely" discussed the campaigns of his opponents, Mark Brnovich and Felecia Rotellini, with his Executive Office staff during regular office hours that were not during breaks or lunch hours. See Beattie Affidavit, page 7.**

Investigative Findings, Issue 6

The preponderance of evidence, which includes commentary from Ms. Beattie, Mr. Archer (during the interview by the MCAO), and the interview of Ms. Dugan, reflects that Mr. Horne did on State time have discussions relating to his campaign opponents, and these discussions were, according to Mr. Archer, from 10 to 15 minutes in length, and according to Ms. Beattie, significantly longer than even Mr. Archer's estimates. Such conversations went beyond the category of "water cooler talk." These meeting, based on the evidence appear to constitute significant campaign activity taking place at the AGO EXO during business hours.

- 7. Issue: Allegedly, weekly calendar meetings were held for coordination of official AGO business and well as campaign events, and during these meetings, which started at 2:00 p.m., there was substantive discussion relating to campaign events. See Beattie Affidavit, pages 7-8 and Exhibits 10 and 11.**

Investigative Findings, Issue 7

It is undisputed that weekly meetings were held at the AGO EXO for the purposes of discussing calendar events for both official AGO business and campaign events, such as fundraisers. What is in dispute is whether there was substantive discussion relating to campaign events or issues during these meetings. Ms. Beattie claims that such discussions did occur. It should be noted

that, the calendars presented at the meetings (see for example, Exhibits 10 and 11 to Beattie's Affidavit, aka Exhibits 2.10 and 2.11), which were prepared by Ms. Scordato, and included both AGO events and campaign events, but the calendars clearly listed more campaign events than AGO events.

Ms. Beattie's explanation in the investigative interview, in response to Mr. Horne's claim there was no substantive discussion about the campaign during the weekly calendar meetings, was enlightening.

SB: ...First of all, that's not true. That was so we could coordinate everything and work together to have the most efficient campaign schedule. Typically, in campaign offices, that means you've already, you probably do know this, like, Senator McCain would have an official scheduler and Senator McCain would have a campaign scheduler and they would do a call once a week with each other from their respective offices and coordinate because there does have to be a level of coordination. Now when you don't have a separate office, that's what happens. You sit there and, like I said, then it would turn from should we be doing this event, is Brnovich going to this event, Tom can't have more than twenty minutes to give his speech and talk about his achievements. We're not going to go to this event. Brett, call this chairperson. Sarah, call this person, etc., etc. So, yeah, it was a campaign scheduling meeting. (p. 55, Exhibit 26)

In summary, the preponderance of evidence suggests that the events occurred as alleged, and that substantive campaign related activity was taking place at the calendaring meetings.

This issue brings to the forefront questions about the propriety of having weekly meetings on State time involving the scheduling of campaign events, which were a significant portion of the calendaring activity, as seen from a review of Beattie Exhibits 10 and 11. Another issue raised is the need to have a number of staff persons present for a meeting on State time, when the only reason for the meeting, at least according to Mr. Horne and Ms. Dugan, was to make sure that campaign events did not conflict with official AGO events (or vice versa). As such, the meetings themselves were prompted and necessitated at least to a degree by campaign related issues and events. While Mr. Horne claims that the calendar meeting did not involve "significant" discussions of campaign events, the meetings took place in large measure because of campaign events, and the potential conflict they might have with official AGO business. The extent of discussions about the campaign, based on the evidence, is unresolved, but it is clear that there was some degree of discussion about campaign events, and that the meetings took place in part for the purposes of calendaring campaign events.

The issue with the calendars and the calendar meetings can be fairly interpreted, given other evidence collected in the investigation, as a microcosm of a broader pattern of campaign related matters being intertwined with AGO work, to the point that it is difficult, from an investigative standpoint, to separate the two activities. It would also be difficult for employees to separate out the issues because of the comingling of campaign activities and AGO work during the course of the work day.

8. Issue: Allegedly, during the AGO work day, Mr. Horne and others in the AGO EXO exchanged emails and had discussions relating to campaign related issues, including a proposed robocall, a memo entitled “Negatives of Rotellini,” and a memo entitled “Tom Horne’s Achievements.”

- On December 26, 2013, Mr. Horne and his Executive Office staff discussed a proposed robocall during work hours via email. *See Beattie Affidavit, page 8 and Exhibit 12.*
- On January 17, 2014, Mr. Horne and Executive Office staff discussed a memo titled "Negatives of Rotellini" during work hours via email. *See Beattie Affidavit, page 8 and Exhibit 13.*
- On March 28, 2014, Ms. Scordato at 11:34 a.m., during the regular business day, transmitted a memo entitled "Tom Horne's Achievements" during work hours via email to Darline Garrett and Ms. Beattie. *See Beattie Affidavit, page 8 and Exhibit 14.*

Investigative Findings, Issue 8

Mr. Horne’s response, as set forth in his Supplemental Response dated 6/2/14, was as follows.

11. There is a reference here to 3 short emails. One cannot control when people open their emails, but the certification of 40 hours per week establishes that people opened them on their own time. In no case are we talking about more than a few minutes.

Text of the 12/26/13 email (Beattie Exhibit 12 or Exhibit 2.12) from Mr. Horne was as follows.

On Dec 26, 2013, at 4:26 PM, Tom Home for Attorney General
<tomhome2824@gmail.com> wrote:

>
> Here's the latest draft of a 30 second robocall
>
> I'm calling for conservative Republican Attorney General Tom Home.
>
> You may have seen recent attacks on Home. Don't believe them. They are coming from a liberal group that admitted, in response to a libel action, that what they said about Tom Home was not true. They received money from a group fined \$1 million for dark money violations.
>

- > It's no surprise they are attacking a conservative like Tom Home. That's because Home has the guts to fight Obama and Obamacare in court, and is fighting to close our borders.
- >
- > Tom Home is Arizona's conservative Attorney General. We need to keep him.
- >
- > Paid for by Tom Home 2014.

Carmen Chenal responded to Mr. Horne's email on Friday, December 27, 2013 at 11:16 a.m., and copied virtually all of the Core 2014 Horne Campaign staff. By sending the foregoing email at 4:26 p.m., during AGO regular work hours, Mr. Horne was giving license to the recipients to open the email during work hours.

The second email, Re: Negatives on Rotellini, sent by Mr. Horne on January 17, 2014 at 2:33 p.m., during regular work hours, was sent to the core campaign staff, including Dugan, Archer, Beattie, Grisham, Harding, Martinez, Mecum and Scordato, as well as to Charles Johnson and Mila Makal. The text of the attached Memorandum reads as follows.

Attached is a very rough draft of what can eventually go on the website of negatives on Felicia. There are still things I'm looking up to add. I would like to get input on what I have done so far. The first page is a summary of four (4) negative points. The idea is that if anyone wants to get details on any one of those 4 negative points, they click on that number, and then they are taken to another page with the detail. Attached is a summary page, followed by the detail for each of the 4 points.

Again, irrespective of when the recipients may have read the email and attachments, Mr. Horne, by sending this at 2:33 p.m. during the regular work day, presumably on State time, was giving license to the recipients to read the email during State time. He was engaging in a substantive campaign activity by preparing the attachments (whether on State time or not), and then emailing them on what definitely appears to have been State time. This documentation attached to the email could not have been read in just a minute or two, but is rather substantive.

The third email, sent by Debra Scordato to Darline Garrett and Ms. Beattie on March 28, 2014 at 11:34 a.m., entitled Tom Horne's Achievements," reads as follows.

Darline,

Attached is a copy of Tom Home's Achievements. Mr. Taylor wanted them for the fundraiser next week.

Thank you,
Debra

This clearly was prepared and forwarded for use at a fundraiser, and was sent during regular business hours. This is the document that, at Ms. Winn's request, Ms. Beattie had previously worked on in the fall of 2013, as discussed under Factual Issue 12.

Mr. Horne's curious response suggests that he cannot be held responsible for when recipients open emails he sends them during regular business hours, which suggests that he expects them to open the emails whenever they want, including on State time during regular work hours. Mr. Horne expects employees to read the emails whenever they wanted to do so, whether while on duty or not, but work their 8 hours a day, or as he put it, "the certification of 40 hours per week establishes that people opened them on their own time."

The problem with this logic is that by sending the emails during business hours, Mr. Horne is condoning, or giving license to, recipients to open and read the emails (and attachments) during regular business hours.

Given Mr. Horne's explanation, employees could read campaign emails or materials at their leisure, whether on or off duty, but only to the extent that the attention focused on the campaign was not "significant." The parameters of what Mr. Horne considers to be "significant" and "insignificant" is perhaps best set forth in the following discussion during the investigative interview.

Q: ...Well, with respect to the exempt employees, is it your position that, really an exempt employee can theoretically take a half hour during their day at 10:00 in the morning, 2:00 in the afternoon, whenever, to theoretically work on the campaign, as long as they stay an extra half hour or make it up?

A: No, not a half hour, but a few minutes. (p. 61, Exhibit 31)

Mr. Horne appears to be claiming that he has done everything possible to make sure that no one did campaign work on state time, or if they did, they needed to work extra hours to make up for it. His comments in the investigative interview were as follows.

A: ...I think the, the biggest point here is we were very strict and adamant that you had to work at least 40 hours for the state, because you're getting paid by the state. And, and every single person, including Sarah and everybody else, stated under oath and in, in a verification that told them it was a crime to say something that wasn't true, that they had worked the number of hours that they were being paid for. And in a number of cases, people got paid less than 40 hours, where they felt they needed to take time off to do campaign work. Margaret took four days off, she even took off a day when she was making phone calls on one of the fundraisers. Sarah was paid for less than 40 hours often. So people knew that they put in their 40 hours for the state and that they would be, and that we were adamant and strict about the fact, even though, theoretically, if you're an exempt employee, we're not supposed to require them to work 40 hours but they signed a statement every two weeks that they, we told them it was a

crime not to do it, to lie on it, that they were, they were certifying that they had worked the number of hours that they were claiming. I'm not sure what more we can do. I saw to it that we circulated, we circulated the rules about political activity twice during the campaign. That was my initiative. I wanted to be sure that everybody knew what it was. Margaret was very adamant about people sticking to those rules. She's, she's kind of a strict type and that goes in that, as you know, Sarah complained bitterly that even though Margaret was not her direct supervisor, Margaret knew that she wanted to do campaign work on state time, so she was watching her closely to ensure she didn't. And Sarah, this was, this was the crying jag that I talked about, where she was crying over the fact that Margaret was, would not allow her to do campaign work on state time. So I think we did everything we could possibly do to be sure that nobody ever did campaign work on state time. (pp. 60-61, Exhibit 31)

Mr. Horne having sent out these emails could only lead to conflation and intertwining of AGO work and campaign activity, and these three emails were not aberrations. Based on review of Ms. Beattie's private gmail account, Mr. Horne's campaign emails, in the period from August 1, 2013 to the end of April 2014, were identified as follows.

Employee	Total sent campaign-related emails	Emails sent during working hours (0800 to 1700, except 1200 to 1300 hours)	Emails sent in other than normal working hours
Horne, Tom	46	23	23

As discussed elsewhere, given the narrow source of emails in this study (basically, the private email account of one AGO EXO employee, Ms. Beattie), it is reasonable to infer that there were other campaign related emails that Mr. Horne send out during the regular work day at the AGO.

In summary, the preponderance of evidence indicates that, in the case and circumstances of the three emails cited by Ms. Beattie in her Affidavit, along with other evidence of campaign related emails by Mr. Horne during typical business hours, his emailing activities constituted significant campaign activity.

There was something that Mr. Horne could have done to prevent campaign work from taking place on State time, and this would have been not sending out campaign related emails to staff to which he had attached documentation that could not be digested in just "a few minutes," such as the extensive "Negatives on Rotellini" memo, which is comprised of multiple pages. Rather than discouraging employees from engaging in campaign related activity on State time, this type of email communication, sent during the normal work day, gave license to recipient employees to open and read campaign emails (and attachments) during regular business hours, to reply, and even to critique the memo's points, all on AGO time, as Mr. Horne appears to have done.

Throughout the Horne Responses and during the investigative interview, Mr. Horne, perhaps to provide justification for the possibility and reality that AGO EXO employees were engaging in campaign work on State time, cited that the fact that employees signed a "certification" on their

time sheets verifying that they had worked (on State business) the number of hours they listed. The employment by Mr. Horne of this defense is discussed in detail in the findings relating to Allegation A.

- 9. Issue: Allegedly, Ms. Dugan would often discuss with Ms. Beattie the status of fundraisers, political events she had attended, campaign events she was planning to attend with Debra Jackson, the status of campaign flyers and social media for the campaign. Additionally, Ms. Dugan and Mr. Horne would express campaign-related concerns and ask Ms. Beattie to address their concerns about the lack of campaign work from Mr. Archer and Mr. Mecum. See Beattie Affidavit, page 9.**

Investigative Findings, Issue 9

Ms. Beattie's Affidavit relating to this issue reads as follows.

17. Margaret Dugan is the Chief of Staff for the Office of the Arizona Attorney General. Ms. Dugan is also the Campaign Manager for Tom Horne 2014, Tom Horne's reelection campaign. Ms. Dugan regularly blurred the line between those two roles while in the Executive Office. By way of example, Ms. Dugan spent regular office time meeting with Garrett Archer to ensure and review his updated campaign data that he was working on for the Tom Horne 2014 campaign. There was a time when the link to Tom Horne's Twitter account was broken, and she asked me to have Garrett Archer get it fixed.

18. Ms. Dugan would often stop by my desk to talk to me about the status of the campaign fundraisers I was working on, the status of invite flyers, Tom Horne's Twitter account, the Tom Horne 2014 Facebook page, and so forth. In addition, she would often stop by to complain that she did not feel Garrett Archer was working hard enough on the campaign data. Ms. Dugan also would also stop at my desk to tell me that she felt Brett Mecum was slacking on his campaign duties. On several occasions Tom Horne and Ms. Dugan came to my desk and specifically asked me to address their concerns over Garrett's or Brett's lack of campaign work with Garrett and Brett directly, which I did.

19. Lastly, Ms. Dugan also spent time at my desk talking about political events and fundraisers she attended with Tom Horne, or future political events she and Debra Jackson planned to attend on behalf of Tom Horne 2014.

Ms. Dugan affirmed that she met with Garrett Archer on a weekly basis, but not to discuss his campaign work. Ms. Dugan indicated that her conversations with Ms. Beattie about fundraising events was only incidental and brief, and not substantive. Ms. Dugan also acknowledged that, at the workplace, she told Ms. Beattie about her (Dugan's) after hours campaign work (gathering petition signatures), but claims that these conversations were "nothing that took any amount of time." Ms. Dugan and Mr. Horne have denied that Ms. Beattie had been assigned the task of encouraging Mr. Mecum and Mr. Archer to do their campaign work.

As discussed in other Factual Issues subject to inquiry, Ms. Beattie acknowledged that Ms. Dugan told her on occasions not to work on the campaign on State time, but rather to do so before or after work or during her lunch hour, although Ms. Beattie also added that while Ms. Dugan would say this, Ms. Dugan would also engage in the type of substantive campaign activities described in this Factual Issue.

In his account to Mark Stribling of the MCAO, Mr. Archer corroborated some elements of Ms. Beattie's comments and some elements of Ms. Dugan's response. As to the issue of his office meetings with Ms. Dugan, which Ms. Beattie thought related to his campaign work, Mr. Archer, after commenting about how Ms. Dugan was "always very vocal and strict about the firewall about keeping campaign and official business separate,"³ made the following assertions about his campaign related discussions with Ms. Dugan.

...And then during petition gathering, which happens in, I don't remember when it happens, but it usually happens in February, it happens over the course of several months or years in fact in Tom Horne's case. Margaret, you know at home she wanted to verify his petitions. Well I have a copy of the voter file that I was updating at the time at home, and she wanted to use my copy to verify the petitions to you know if they are Republicans or Independents or whatever so they could weed out petitions that were bad petitions. And that happened, like I said, very late in the process, it was like February, she wasn't asking for that kind of stuff early on and it was a you know, she wanted a copy and I said I'll get it done as soon as I get it done because it takes me especially back then, because I had to do it at home, it would take me two weeks three weeks to do the entire voter file because it is a very long process. (Exhibit 32)

Obliquely, as such, Mr. Archer corroborated that Ms. Dugan asked him on multiple occasions, in conversations he says were "about 30 seconds long," about her apparently periodic requests that he verify the signatures she had obtained on petitions with the copy of a voter file at his residence. Further, it appears from Mr. Archer's account that Ms. Dugan wanted Mr. Archer's voter list, although it is not clear if he ever provided it.

As to the second issue, relating to Mr. Horne's Twitter account, Ms. Dugan indicated in her statement as follows.

As to the twitter account being broken, there was talk one morning regarding Tom's twitter account being hacked. It was found out that the twitter account had not been hacked, but while I was reading twitter accounts the night before and going back and forth between twitter accounts, I hit the wrong button and inadvertently posted a picture of Tom's opponent on Tom's twitter account. I did

³ As discussed earlier in this report, the email record of Ms. Dugan, based on a review of Ms. Beattie's private account, reflects that she sent only 6 campaign related emails, three during the normal work day and three outside the normal work day. From a standpoint of campaign related emails, Ms. Dugan certainly was not as prolific as other AGO EXO employees. Ms. Dugan advised in the interview, as well, that she tended to use her Iphone to send messages.

not ask Sarah to tell Garrett to fix it. He looked at my phone and quickly figured out what I had done. It took all of five minutes to figure out. (Exhibit 32)

Mr. Archer's account in the MCAO interview was as follows, essentially verifying Ms. Dugan's statement that it was a 5 minute ordeal.

ARCHER: Yeah. That was like a 5 minute thing too. She accidentally re-tweeted something that Felicia, and this happened at night, the night before she re-tweeted a picture of Felicia from home and she wanted me to get rid of it or something, so you know. Again, so a five minute thing. (Exhibit 32)

Finally, as to aspect of the Factual Issue that Ms. Beattie had communicated with Mr. Archer about his (and Mr. Mecum's) lack of campaign work, Archer responded thus in the MCAO interview.

ARCHER: You know I don't really recall that. I mean, I kind of remember her saying something on, you know, while we were hanging outside together for a ten minute break or whatever, and she had to take 10 minute breaks, I was a little more flexible, but, you know she would say something like that, but, Sarah wasn't, she, I don't know what to say. I guess she mentioned it once or twice possibly, but you know, that's all I kind of, I don't really recall a specific conversation where she said you know these guys are not doing their job. Again, the reason I wasn't doing a lot of that stuff or wasn't fast enough was because I had to do it all at home because it's a very long process. (Exhibit 32)

Basically, Mr. Archer verified that Ms. Beattie had talked "once or twice probably" about something relating to the issue of Archer's campaign work. However, it appears that Mr. Archer was being evasive in the interview, not wanting to be pinned down, while at the same time acknowledging that he had discussions with Ms. Beattie on the issue.

Based on the totality of evidence, it would appear that Mr. Archer and Ms. Dugan did have meetings or discussions in the office relating to the campaign, specifically about Mr. Archer verifying petition signatures at Ms. Dugan's request, work that he says that he performed at night at his home, and both claim that the office discussions on this issue were extremely short. As to the second element, Mr. Archer did fix Mr. Horne's Twitter account, at Ms. Dugan's request, although she claims that she did not ask her to do so. Both asserted that this took about 5 minutes. As to the third element, relating to Ms. Beattie's claim that Ms. Dugan (and Mr. Horne) had asked her to speak with Archer and Mecum about the status of their campaign work, Mr. Archer obliquely acknowledged that Ms. Beattie made some sort of comments along these lines, but he claimed that his recollection about what was said was unclear.

- 10. Issue: Allegedly, Ms. Winn was aware that Ms. Beattie was working on campaign activities during the work day, insofar as Ms. Beattie sent an email on 9/11/13 at 7:46 a.m. (in a time frame when her work day started at 7:00 a.m.). Ms. Beattie also claimed that Ms. Winn forwarded an email from attorney Dan McCauley to the**

campaign email address when the subject matter of the email had no connection with the campaign. See Beattie Affidavit, pages 9, 10 and Exhibit 16.

Investigative Findings, Issue 10

Ms. Winn denies that she knew Ms. Beattie was working on the campaign during State time, which appears to be contrary to the findings relating to Factual Issue 12, for which the preponderance of evidence established that she specifically directed Ms. Beattie to work on the Horne Achievements List, and that this list had a definite campaign purpose. Ms. Winn took the position in the interview that she knew that Ms. Beattie wanted to work on the campaign, but strongly told Ms. Beattie that she could not do so. This is somewhat corroborated by Ms. Beattie's comments in an email exchange with Sean McCaffrey, which is discussed in the findings of Factual Issue 12.

08/26/13 14:31	From: Sarah Beattie	To: Sean McCaffrey	I'm in trouble with my boss for stopping to work on the campaign and don't have enough time to work on finance. So it's like I'm behind on both fronts
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As to the claim that Ms. Winn knew about Ms. Beattie's campaign work on State time, apart from the issue of the Achievements List (see Factual Issue 12), Ms. Beattie cited her 9/11/13 email, which she sent at 7:46 a.m. to Mecum, Winn, Dugan and Scordato, asking for their personal connections to secure endorsements for Mr. Horne. Ms. Winn acknowledges that there were discussions about Ms. Beattie starting at 7:00 a.m., and if fact Beattie did so. Regardless, Ms. Winn would have known that Ms. Beattie was engaging in campaign related activities.

As to the issue of Ms. Winn forwarding information from attorney Dan McCauley that clearly was unrelated to the campaign, Ms. Winn claims (and Mr. Horne corroborated) that Ms. Winn sent this to Mr. Horne's campaign email erroneously, using an "archaic email address." Ms. Winn also claims that she forwarded the email to the proper division at the AGO.

The preponderance of evidence does suggest that Ms. Winn was aware that Ms. Beattie was working on the campaign on State time. Ms. Winn's response about whether she knew about Ms. Beattie actually working on the campaign was remarkably evasive, as reflected in the discussion of Factual Issue 10 in Appendix A, and in the interview transcript. Ms. Winn should have known that Ms. Beattie was working on the campaign by virtue of Ms. Beattie's 9/11/13 7:46 a.m. email, as well as the email exchange concerning Mr. Horne's Achievements, which is discussed under Factual Issue 12.

It is unresolved, based on the available evidence, whether Ms. Winn purposely sent Dan McCauley's email to Mr. Horne for the purpose of making "political hay," as Ms. Beattie claims. Ms. Winn indicated that she inadvertently sent the email to Mr. Horne's campaign email address.

- 11. Issue: Allegedly, on April 8, 2014, Ms. Winn drove a government vehicle to a campaign site. See Beattie Affidavit, page 11.**

Investigative Findings, Issue 11

It is uncontested that Ms. Winn, on or about April 8, 2014, used a government vehicle to drive to a campaign meeting at Rock Products. In her 8/1/14 supplemental statement, Ms. Winn provided the following account.

I have admitted to having a state car and repaid the state. I drove to a state meeting in the car where I had attended a morning planning session at DES and was headed to a subsequent meeting where I was giving a presentation at a Charter School in Scottsdale on Underage Sex Trafficking. My personal vehicle (husband's truck) was being used by AG staff for transport of many items for the Victims' Rights luncheon the next day at the KROC Center. The Governor, County Attorney Montgomery, Voyles, AG Horne and 300 other people attended the luncheon on April 9, 2014. Our office and particularly Outreach does much of the set up for the actual Victim's Rights Luncheon. After leaving my morning meeting I was getting lunch and received a call to remind me of a meeting at Rock Products over the lunch hour. I had forgotten about the meeting. I circled back and I parked the car and came to the meeting for a short time and left the meeting early. I took responsibility and repaid for the usage.

The Supplemental Horne Response, dated 6/2/14, reads as follows.

14. There was a violation of policy in this case, as a result of which Winn was reprimanded and paid more than the cost of what occurred.

Given the admissions of Ms. Winn and Mr. Horne in their interviews, this event occurred as alleged. Mr. Horne claimed that Ms. Winn was reprimanded and required to reimburse the State for the cost of her private use of the State vehicle.

12. **Issue: Allegedly, Ms. Beattie was asked by Ms. Winn to work on a document for Mr. Horne titled, "17 Major Achievements." Ms. Beattie believed this was a campaign-related assignment to be completed as soon as possible, whether on State time or not. See Beattie Affidavit, pages 3, 10, 12 and Exhibits 3, 4 and 15.**

Investigative Findings, Issue 12

The email strings in question, beginning with Exhibit 3 to the Beatty Affidavit, are as follows.

From: Debra Scordato
Date: August 13, 2013 1:20 PM
Subject: Tom Horne Achievements

Attached please find the most recent list of Achievements. This is a good reference when you are out and about talking to constituents.

Hope to see you all at the Thursday meeting and don't forget to watch the Cspan video that I sent to you.

On August 13, 2013 at 1:55 PM, Kathleen Winn wrote to Ms. Beattie:

Help me make this better.

On August 13, 2013 at 2:13 PM, Sarah Beattie responded to Ms. Winn:

Yeah this is the crap list I am working on.

From: Kathleen Winn
Date: Tues, August 13, 2013 at 2:14 PM
Subject: Re: Tom Horne Achievements
To: Sarah Beattie

Top priority stat

Exhibit 4 to the Beattie Affidavit constitutes the second relevant email string.

From: Debra Scordato
Date: August 16, 2013 10:18 AM
Subject: ACHIEVEMENTS

Some of you asked me for AG Horne's Achievements (talking points) last night so I've attached the updated version.

Thank you all for all you do.

From: Kathleen Winn
Date: August 16, 2013 1:05:40 PM
To: Sarah Beattie
Subject: FWD: ACHIEVEMENTS

No kidding on this

Clearly, Ms. Beattie and Ms. Winn have diametrically opposed accounts of what transpired with respect to Mr. Horne's Achievements List, and Ms. Winn's expectations about when and under what circumstances Ms. Winn wanted Ms. Beattie to revise the document.

Ms. Beattie indicated that she was asked by Ms. Winn to revise the document, and Beattie clearly understood that the document was going to be used for campaign purposes. As to the directions given to Ms. Beattie by Kathleen Winn, Ms. Beattie's comments were as follows.

SB: Even before I was officially hired, she told me that that was one of her tasks she was given and she couldn't stand how it was worded and she wanted it to get done as soon as possible. The exact day I started was a Monday and I was in the office that Thursday and Friday before going to campaign events with Kathleen and she had told me not to tell HR I was there and on the whole car ride up to Prescott or Flagstaff, wherever we went, she had talked about that achievement list bothering her. (p. 61, Exhibit 26)

Ms. Winn's position, as set forth in part in the Supplemental Winn Statement, 8/1/14, was as follows.

On August 13, 2013, Ms. Beattie had been my employee for 1 week.... The 13th (Tuesday) was the start of the second week. She knew nothing of what the Attorney General's Office did. Ms. Beattie at this point had already asked to get involved with Tom's campaign. I was not working on Tom's campaign in or out of the office in August of 2013. Sarah wanted to learn about Tom. I wanted her to learn what it was we were doing and our role or function in the office. Achievements 7, 8, 10, 12, 13 and 14 had Outreach connection. Beattie was to work on the wording of some of those items for the official AG website. She did not get it done and I did it. Three days later she asked me to resend the document to her. At that point, she would only need the document for campaign purposes.⁴ My statement on August 16, 2014 of "no kidding on this" was that she was NOT to do work on the campaign in the office. I was admonishing her not to do campaign work on state time, not pressuring her to do something improper. It was already obvious to me that Sarah was not able to follow simple requests and instruction. I had received this in my personal email and sent it over to her at her request. I am not sure if her email was up and running in this office but I sent it to her personal email from my personal email as that was in my contacts. She had already received it once and said to someone else not me that this was the "crap list she was working on".⁵ Her Exhibit 3... She stopped working in my area September 20, 2013.

Our research of Ms. Beattie's emails revealed a number of documents suggesting that Ms. Winn was in fact providing campaign information to Ms. Beattie. Further, there were other emails in the string of emails than what Ms. Beattie provided as Exhibits to the Beattie Affidavit. What follows is a listing of relevant emails from August and September 2013 relating to this issue.

Date sent	Time	From:	To:	Subject Line and Body	ID
08/13/13	13:20	Scordato	bcc	Subject: Tom Horne Achievements	I025

⁴ It is not clear what happened in this three day period between August 13, 2013 and August 16, 2013, and how the purpose of this document changed from needing to post it on the AGO website to use in the campaign.

⁵ The record reflects that, indeed, contrary to Ms. Winn's claim, Ms. Beattie told Ms. Winn directly, through an email, "Yeah this is the crap list I am working on."

Tuesday			Beattie	<i>Attached please find the most recent list of Achievements. This is a good reference when you are out and about talking to constituents. Hope to see you all at the Thursday meeting and don't forget to watch the Cspan video that I sent you. Thank you, Debra</i>	
08/13/13 Tuesday	13:55	Winn	Beattie	Subject: Tom Horne Achievements <i>"Help me make this better"</i>	I025
08/13/13 Tuesday	14:13	Beattie	Winn	Subject: Tom Horne Achievements. <i>"Yeah this is the crap list I am working on."</i>	I025
08/13/13 Tuesday	14:14	Winn	Beattie	Subject: Tom Horne Achievements <i>"Top priority stat"</i>	I025
08/13/13 Tuesday	14:37	Beattie	Winn	Subject: Tom Horne Achievements <i>"I will do it tonight."</i>	I025
08/13/13 Tuesday	15:13	Beattie	Winn	Subject: Tom Horne Achievements <i>"Can you look at mine tomorrow"</i>	I025
08/16/13 Friday	10:18	Scordato	bcc Beattie	Subject: Achievements <i>"Some of you asked me for AG Horne's Achievements (talking points) last night so I've attached the updated version. Thanks for all you do."</i>	I022
08/16/13 Friday	13:05	Winn	Beattie	Subject: Achievements <i>"No kidding on this"</i>	I022
08/17/13 Saturday	08:10	Beattie	Winn	Subject: Achievements <i>"Ill send over my draft to you tonight"</i>	I022
08/18/13 Sunday	11:47	Beattie	Mecum	Subject: Achievements [no message, attached Achievements List]	I022
08/18/13 Sunday	12:27	Mecum	Beattie	Subject Achievements Updates <i>"A few edits and updates."</i>	I021
08/19/13 Monday	07:03	Beattie	Beattie	Subject: Achievements Updates [sent from iPhone, forwarding message]	I021
08/19/13 Monday	07:12	Beattie	Beattie	Subject: Achievements Updates [sent from iPhone, forwarding message]	I021
09/06/13 Friday	16:53	Scordato	bcc Beattie	Sub: Two Versions of the Achievements <i>"let me know what you think."</i>	I062
09/06/13	17:06	Beattie	Scordato	Sub: Two Versions of the Achievements <i>"I would like to have these in hand out formats for fund raisers, etc. can I bring In some suggestions on Monday? Ill even do a mock hand out."</i>	I062
09/08/13 Sunday	13:22	Winn	Beattie	Subject: Accomplishments <i>"Any chance you will send them?"</i>	I060

09/08/13 Sunday	13:54	Beattie	Winn	Subject: Accomplishments <i>"They are more verbal notes. Barry suggested we put specific case examples and shorten them. For example "Fought against drug cartels" what exactly was fought against and what actions were taken."</i>	I060
09/08/13	13:55	Beattie	Winn	Subject: Accomplishment <i>"I can't scan them in from my house."</i>	I060

As to the string of emails on August 13, 2013, while Ms. Winn has taken the position that she was attempting to emphasize to Ms. Beattie that she should not work on the Achievements List at the office, a reasonable person would not come to that conclusion based on the communications from Ms. Winn. What Ms. Winn wanted was for Ms. Beattie to make improvements to the Achievements List immediately. She did not instruct Ms. Beattie in any of the emails not to do the work on State time. Further, when Ms. Beattie did not, apparently, provide a redrafted iteration when Ms. Winn wanted it, Ms. Winn wrote, on Monday, August 16, 2013, "No kidding on this," which would have only reinforced that Ms. Winn wanted the document reviewed and amended immediately. Had Ms. Winn wanted Ms. Beattie to only work on the document when she was not on State time, Ms. Winn could have easily conveyed this sentiment by saying so in any of these emails. Ms. Winn's account does not seem credible, giving consideration to the totality of the evidence.

It is notable that Ms. Winn denied that Ms. Beattie sent to her an email stating, "Yeah, this is the crap list I am working on." As Ms. Winn asserted in her Supplemental Statement, "That was sent to someone else not me." In fact, Ms. Winn was clearly the recipient of the email bearing this text. (See Beattie Email I025)

Ms. Winn also took the position that, at the time she wanted Ms. Beattie to review and amend the Achievements List, Ms. Winn wanted it for inclusion in the AGO website (not the Horne campaign website), but three days later, after Ms. Beattie did not complete the review, according to Ms. Winn, the Achievements List only had utility for campaign purposes. This, of course, does not appear to make any sense, because Ms. Winn acknowledged that the Achievements List had a "dual nature" (for the AGO and for the Horne campaign). Further, if the Achievements List was for the AGO website, it clearly was related to the business of the office, not the campaign, and Ms. Winn could have sent it through AGO email, rather than the private accounts which were used by AGO employees for campaign-related purposes. Ms. Winn attempted in her statement to explain away this issue by stating that Ms. Beattie had made a request for the document from her gmail account, but in fact all the emails discussed in the foregoing, whether on August 13 or 16, 2013, involved the private gmail accounts of Ms. Beattie and Ms. Winn.

Review of pages of the Horne campaign site (See Exhibit 34) in July 2014 reflects that the 17-point Achievements List figured prominently on the website, having its own link. The document appearing on the website is obviously connected to, but a later iteration of, the iteration of the Achievements List on which Ms. Beattie was working, or had been ordered to review and

amend, in August of 2013. It is also interesting to note that, according to Margaret Dugan, Campaign Manager for the Horne 2014 campaign, as to the Achievements List "...We would take them out on our campaign and hand them out" (p. 49, Exhibit 29), but Ms. Dugan, the Chief of Staff and Campaign Manager, said that she did not know if the Achievements List was used for office purposes. There can be no question that the Achievements List was used to some degree for campaign purposes.

Notwithstanding the foregoing, we found in Ms. Beattie's gmail account an extensive string of email communications with Sean McCaffrey, a political consultant and CEO of Gryphon Strategies, LLC, in which Ms. Beattie was complaining about both the workplace and the campaign. This email string, which ran from August 15, 2013 to September 5, 2013, and was comprised of numerous emails (See Email I-068), clearly reflects that she knew from the beginning, as did, it would appear, Mr. McCaffrey, that she had been hired at the AGO, at least in part, to work on the campaign. Mr. McCaffrey even mentioned that he would be willing to contact Mr. Horne and Ms. Dugan to remind them why Ms. Beattie had been hired.

Let's remember that they hired you not just because you're kickass awesome, but because you're going to help save his ass come campaign time. I am only too happy to remind Tom and Margaret of that, and whoever else is causing you stress. (Email I-068)

Date/ Time	From	To	Message
08/15/13 15:24	McCaffrey	Beattie	Well, I'm sorry I couldn't get you on the Montenegro campaign, but seriously, relax a little. Remember this: Tom needs you over there don't let crazy government employees get you down. And FYI, if you are having a problem, please call me and let me know, ok??? Let's remember that they hired you not just because you're kickass awesome, but because you're going to help save his ass come campaign time. I am only too happy to remind Tom and Margaret of that, and whoever else is causing you stress. I'm a consultant - yelling at my clients is actually what I do for a living....
08/15/13 19:22	Beattie	McCaffrey	They have no clue what they're doing Over there.
08/21/13 13:20	Beattie	McCaffrey	The hospital said it was stress. I'm at a campaign meeting yeesh what a mess. Do you need help with finance on anything? I can do it in my free time. I forgot how much I love campaigns.
08/26/13 12:50	Beattie	McCaffrey	Today is a day I need to vent! Things Are a mess here.
08/26/13 14:31	Beattie	McCaffrey	I'm in trouble with my boss for stopping to work on the campaign and don't have enough time to work on finance. So it's like I'm behind on both fronts

08/26/13 15:28	McCaffrey	Beattie	Yeah, that's pretty retarded...not that you're not excellent at whatever the AG's office does, but let's remember why you're really there, which is to bail his ass out on the campaign trail. When you want me to say something to Brett or Margaret, just shout.
08/26/13 15:33	Beattie	McCaffrey	Thanks. I realistically am not going to work 15 hours a day for them so they need to figure it out. If my "community outreach" boss needs me downstairs then they better get someone full time for finance. I can't do donor prospecting or anything I normally do for them with this set up.
08/27/13 12:15	Beattie	McCaffrey	I just spoke to tom and he said his main concern is my happiness but I'm now supposed to come in from 7-10 every day to work on campaigns for free basically. That being said if another opportunity comes my way I will take it
08/27/13 15:56	McCaffrey	Beattie	Send me updated resume...really highlight all finance/fundraising experience as much as possible.
08/28/13 07:57	Beattie	McCaffrey	Ill get you my resume today. Maybe tom would still let me do his finance too as a contractor
08/28/13 08:19	McCaffrey	Beattie	Yeah...cuz they are clear thinking hahahaha. Never hurts to ask though, right? I am hoping next week to be adding another client I'll need events help with...national/regional conferences, etc...I can pay you pretty decently assuming they sign their @#\$% contract
08/28/13 08:39	Beattie	McCaffrey	It's so dumb here. Tom yesterday said he wanted me on all things social media. So after I left my boss told him I don't know enough about the issues and have too many admin responsibilities on my plate and he tried to fight her on it but she won. He keeps asking me if I'm happy
08/28/13 09:05	McCaffrey	Beattie	The challenge you face there is that these people have been with him for so long, they don't like new people coming on board...and sorry if this sounds sexist, but especially a new, younger woman. It doesn't matter that you are there to help the cause, even help save the cause...they won't get that. I met with them for 2 hours a couple weeks ago and explained what needed to happen to get fundraising back on track. NONE of my recommendations have been implemented. It's like a giant ostrich with its collective head buried in the sand. If you look at things from that perspective, all the crap they give you to do so you don't actually do the things you're there to do makes perfect sense.

08/28/13 09:41	Beattie	McCaffrey	There is no point in me being here then! I can be an administrator anywhere. Why bother to rush to get me on board to stop me?
08/28/13 10:14	McCaffrey	Beattie	Why not just hire you at the Horne campaign? Because they are stuck in neutral and haven't figured out how to fix their problems yet. Or don't want to. Do you have five minutes to call me?
08/28/13 10:34	Beattie	McCaffrey	He said he can't afford it on the campaign
08/28/13 10:54	McCaffrey	Beattie	That's why they are stuck in neutral...a campaign hires a fundraiser, who first and foremost pays for themselves several times over. This is why they are in trouble when they don't understand these things...run away.

The totality of the evidence suggests that, early on, Ms. Beattie was receiving mixed messages from AGO personnel about her job at the AGO, her work on the Horne campaign, and when she was supposed to work on campaign related tasks. Ms. Beattie indicated that, at times, Ms. Winn did tell her that she was not to work on the campaign while on state time, but at other times, demanded quick action, as in the case of the "17 Major Achievements" list, which she wanted "stat." Clearly, Ms. Beattie was of the belief that she was brought on at the AGO because at least in part of the contributions she could make to the Horne campaign, and it was also clear that, early on, in August 2013, Ms. Winn was insistent that Ms. Beattie focus on her state job. There appears to have been friction between Ms. Beattie and Ms. Winn over this. Ultimately Mr. Horne elected to transfer Ms. Beattie to the constituent relations position, where she had considerable more liberty to work on campaign related matters than when she was working under Ms. Winn.

In summary, the preponderance of evidence suggests that Ms. Beattie was instructed by Ms. Winn, while both were on duty at the AGO, to work on the Achievements List "stat" and there was no qualification to Ms. Beattie that she was not to do this assignment on State time. What Ms. Winn wanted was for Ms. Beattie to complete review and editing of the document immediately. Further, if in fact Ms. Winn thought that the "17 Major Achievements" list was for posting on the AGO website, and not for campaign purposes, Ms. Winn could have communicated the request to work on the "17 Achievements List" document through AGO email, instead of personal gmail accounts. It is clear that the "Major Achievements" list was used for campaign purposes, insofar as its contents appeared on Mr. Horne's campaign website.

- 13. Issue: Allegedly, on January 22, 2014 at 4:22 p.m., Ms. Scordato emailed Mr. Mecum, Ms. Dugan and Ms. Beattie regarding fundraising duties and campaign events. See Beattie Affidavit, page 12 and Exhibit 21.**
- 14. Issue: Allegedly, on February 13, 2014 at 4:28p.m., Ms. Scordato emailed Ms. Dugan, Ms. Grisham, Ms. Archer, Mr. Mecum, Ms. Winn, Mr. Horne and Ms. Beattie regarding campaign "To Do's." See Beattie Affidavit, page 13 and Exhibit 22.**

Investigative Findings, Issues 13 and 14

Ms. Scordato's Witness Statement, which was attached to the Horne Response, reads as follows as regards these two issues.

I sent an email to the persons listed in Ms. Beattie's affidavit of 5-9-14 on January 22, 2014. I believe that I came in early and left the office early that day. The email was sent from Mr. Horne's personal computer.

I sent an email to the persons listed in Ms. Beattie's affidavit of 5-9-14 on February 13, 2014. I believe that I left the office early that day as well as the day before. The email was sent from Mr. Horne's personal computer.

Research of Ms. Beattie's private gmail account reflects that Ms. Scordato sent 125 campaign related emails, which Ms. Beattie received, and of these, eighty-three (83) of the emails were sent between the hours of 8:00 a.m. and 5:00 p.m., not including the typical lunch hour, 12:00 to 1:00 p.m., and forty-one (42) were sent before 8:00 a.m., after 5:00 p.m., or between 12:00 and 1:00 p.m. These are just the emails that Ms. Beattie received from Ms. Scordato. It is fair to infer that Ms. Scordato sent other campaign related emails to other persons besides Ms. Beattie, and that this additional number is likely significant.

While Ms. Scordato, who declined through her attorney to be interviewed, might assert that she was "on break" when she sent all of the approximately 81 campaign related emails that were sent to Ms. Beattie, such a claim would have little credibility, if the term "on break" is to have any real meaning, and is not being used as a convenient means of avoiding claims that she was doing campaign work while on State time.

Mr. Horne's original Response (5/30/14) provided the following defense.

....The few emails by Debra Scordato referred to were sent from a personal computer, involved minimal time, and certainly was not counted in her 40 hours a week. When people chose to open emails or do anything about them was up to them, and they know that this could not be done during hours that were counted as 8 hours a day of work hours.

Mr. Horne, in his Supplemental Response (6/2/14) to this particular issue, took this position.

There is an obviously absurd exaggeration of trivialities here. All except Beattie were exempt employees with flexible time who could do short personal tasks as long as they put in their 8 hrs....

This last point appears to be the foundation stone on which Mr. Horne has built his defense to allegations of employees (other than Ms. Beattie) conducting campaign business while on State

time. He points out that all employees sign “certifications” verifying that the hours they have listed on their timesheets are true and correct, and there is no reason to doubt their certifications.

Illuminating Mr. Horne’s contention are the following facts, in part drawn from the timesheet audits of the employees discussed in the following. (See Exhibit 12.).

- No employees, exempt or non-exempt, were required to list their start and end times, so there is no way possible to discern when they started and ended work with any degree of certainty.
- Review of the Timesheet Audit for Sarah Beattie from 8/1/13 to 4/25/14 reflects that she generally worked 10 hours a day from 8/5/13 to 8/23/13, and commencing 8/26/13, she began working 8 hour days. While her use of unpaid leave, comp time and other PTO was variable through September 27, 2013, once she began working out of Constituent Services, she began working straight 8 hour days, with no variation until December 2013 when she took 5 days of leave, either annual leave or sick leave. Beginning in January 2014, she began to take from one or four hours leave without pay intermittently on occasions, possibly suggestive that she was taking off work time to perform campaign work, and took sick leave or annual leave over the last work days of her employment, from 4/11/14 to 4/22/14.
- Review of the Timesheet Audit for Debra Scordato from 8/1/13 to 4/25/14 reflects that, except when she took off sick, holiday or vacation leave, generally in blocks of 8 hours. She almost always indicated that she had worked 8.0 hours a day, but frequently there were listing one to three hours of “excluded employees extra hours,” for which, it would appear, she received no pay.
- Review of the Timesheet Audit of Garrett Archer for the period from 8/1/13 to 4/25/14 reflects that, except when he took sick, holiday or vacation leave, typically in blocks of 8 hours, he virtually always listed 8 hours a day of work, and listed excluded employee extra hours on only two days, December 11 and 14, 2013.
- Review of the Timesheet Audit of Brett Mecum from 8/1/13 to 4/25/14 reflects that, except when he took sick, holiday or vacation leave, typically in blocks of 8 hours, he virtually always listed 8 hours a day of work, and listed excluded employee extra hours on 24 days, usually in increments of 1 to 2 hours, except for 9 hours on February 17, 2014.
- Review of the Timesheet Audit of Kathleen Winn from 8/1/13 to 4/25/14 reflects that, when she took sick, holiday or vacation leave, typically in blocks of 8 hours, she typically worked 8 to 10 hours a day, received extra pay for what appears to have been weekend work, and also occasionally listed excluded employee extra hours for 12 pay periods out of 20.

- Review of the Timesheet Audit of Margaret Garcia-Dugan from 8/1/13 to 4/25/14 reflects that she received regular pay in August 2013 of 7.5 to 11 hours a day, and beginning in September 2013, she was credited with 8 to 10 hours of regular pay and 1 to 5 hours of excluded employees extra hours in the first pay period of September 2013.

These records suggest that, in the case of Ms. Scordato, she was not uniformly listing, for example, 8 hours a day, but rather listing what appears to have been her regular 8 hours and, frequently, 1 to 3 hours of “excluded employees extra pay,” for which she was not compensated, and for which she earned no comp time or other benefit. In the period from 8/1/13 to 9/27/13, she worked extra hours, from 1-3 hours, on almost every work day. In the period from 8/1/13 to 4/25/14, there were 90 work days when she worked additional hours, typically from 1 to 3 hours in length, over and above her 8 hours of regular pay. She was not compensated for these “excluded employees extra hours.” Whereas the listed hours worked by Garrett Archer, for example, were remarkably uniform (8 hours a day virtually every work day), the hours listed by Ms. Scordato varied, and tend to reflect that she worked more than 8 hours a day on frequent occasions.

The Excluded Employees Extra Hours⁶ listed for Ms. Scordato in the subject time period, according to her Timesheet Audit, are as follows.

Aug. 2013	24.0
Sep. 2013	25.0
Oct. 2013	21.5
Nov. 2013	18.0
Dec. 2013	15.0
Jan. 2014	16.0
Feb. 2014	6.0
Mar. 2014	19.0
Apr. 2014	8.0

Total	152.50 – average for 9 months = 16.9 hours per month

One notable difference between the timesheets of Ms. Beattie and the others discussed in the foregoing, excepting Ms. Dugan, is that on some days, she indicated that she worked less than 8 hours a day, in blocks from 1 to 4 hours, and took unpaid leave. As to Ms. Dugan, there were various days that she listed regular hours of less than 8 hours a day, and excluded employee extra hours that added up, with the listed regular hours, to 8 or 9 hours total, suggesting that she was not working a full day. In some periods, the total number of hours she worked was highly variable from day to day.

⁶ Debbie Jackson explained that “Excluded Employees Extra Hours” is a category used for some exempt State employees to record extra hours worked over basically a 40 hour per week. There was no financial benefit to the employee, including pay, accrual of comp time, or another other benefit to the employee for having worked the extra hours.

During our email research of Beattie's private gmail account, we did find an email from Ms. Scordato, sent to Ms. Beattie and Ms. Dugan on September 11, 2013 at 7:11 p.m., in which Ms. Scordato stated:

Sara, I don't answer many campaign emails from work. Just to let you know. So if I'm late in returning your messages it's because it needs to wait until I get home, in the a.m. before work or on the week end. I'm sure you understand.

In her September 11, 2013 reply at 7:20 p.m., Ms. Beattie stated:

I'm a huge fan of following fec⁷ regulations so I get it :-)

In summary, as to Factual Issues 13 and 14, while it can be justifiably asserted, based on solely the email records of Ms. Beattie's private gmail account, that Ms. Scordato, on a significant number of occasions, sent out campaign related emails when she was at the AGO EXO, many within regular work hours (0800 to 1700 hours, except 1200 to 1300 hours), she frequently worked more than 8 hours a day according to her time sheets.

15. Issue: Allegedly, Mr. Mecum worked on campaign activities, including fundraiser flyers, with Ms. Beattie during work hours.

- **On August 28, 2013 at 12:56 p.m., Mr. Mecum emailed Carmen Chenal and Ms. Beattie about a fundraiser. See Beattie Affidavit, page 14 and Exhibit 25.**
- **On September 5, 2013 between 9:53 a.m. and 4:53 p.m., Mr. Mecum, Ms. Chenal and Ms. Beattie were part of an email exchange about items relating to fundraising. See Beattie Affidavit, page 14 and Exhibit 26.**
- **On October 1, 2013 at 10:01 a.m., Mr. Mecum emailed Mr. Horne and Ms. Beattie regarding a fundraiser by the Lindners. See Beattie Affidavit, page 14 and Exhibit 27.**
- **On October 8, 2013 at 10:41 a.m., Mr. Mecum emailed Mr. Horne, Ms. Grisham, Mr. Harding, Adria Martinez, Mr. Archer, Ms. Dugan, Ms. Winn, Mr. Weitzner, Ms. Scordato and Ms. Beattie regarding a Brnovich talk. See Beattie Affidavit, page 14 and Exhibit 28.**
- **On December 3, 2013 at 10:07 a.m., Mr. Mecum drafted a flyer and Mr. Archer sent it to Ms. Dugan, Mr. Mecum and Ms. Beattie regarding the Cuccinelli fundraiser. See Beattie Affidavit, page 14 and Exhibit 29.**

Investigative Findings, Issue 15

⁷ Presumably, "Federal Elections Commission."

Review of Ms. Beattie's gmail account revealed that, in the period from 8/1/13 to 4/22/14, Mr. Mecum sent 40 campaign related emails, of which 28 were sent during normal business hours (0800 to 1700, except 1200 to 1300 hours) when he was working, and 12 were sent outside of normal business hours or during normal business hours when he was not working. The extent of his involvement in email transmissions, based solely on the emails he sent to Ms. Beattie, was significant, and not de minimus.

The Vogel interview of Mr. Mecum (Exhibit 67) contains admissions by Mr. Mecum about the truthfulness of Ms. Beattie's affidavit and Mr. Horne's propensity to ask Mr. Mecum to perform campaign work while at the AGO.

BRETT MECUM: What I can tell you is that, I think what Sarah put in her Affidavit sensationalized. I think some of it is an outright law - lie, but I also - there's also kernels of truth to some of which she put in her Affidavit as well. The AG doesn't pressure anyone to do campaign work on State time. In fact, there's been many occasions where he may come to my office and ask for something, but, you know, he is - when I say I can't do it right now, can do it later. (p. 1 Exhibit 67)

Mr. Mecum and Mr. Vogel discussed "comingling," i.e., comingling campaign work and AGO work, and Mr. Mecum recalled receiving an explanation from Mr. Horne about it, although it would appear that Mr. Mecum could not capture precisely what Mr. Horne said. The following exchange did take place in the interview.

DON VOGEL: . Did you get the impression that he was telling you it's okay for you to be on State computer and be able to go campaign and then go to your personal laptop and then go back to your State computer?

BRETT MECUM: That was an absolute - that would be an impression, yeah. (p. 10, Exhibit 67)

DON VOGEL: You're doing your State business and then he knocks at the door and says, "Hey, I need you to - I need you to take care of this for me. You know, hey, read this, I got to send it out, it's a press, whatever, and then you fire up your laptop...

BRETT MECUM: Yep.

DON VOGEL: ...and then you do campaign stuff for him, okay, "Hey boss, it's coming back to you?"

BRETT MECUM: Cert - certainly.

DON VOGEL: And e-mail...

BRETT MECUM: Certainly did.

DON VOGEL: Okay. So, if that activity is comingling, and then I – and then you back to your State work...

BRETT MECUM: Mmm-hmm.

DON VOGEL: ...and you don't adjust the timecard, meaning, adjust, well, whatever.

BRETT MECUM: Right. (p. 11, Exhibit 67)

Mr. Mecum went on to acknowledge that what occurred at the AGO was comingling of campaign work and AGO work. Mr. Mecum claimed that he was firm with Mr. Horne, however, about doing campaign work after 5:00 p.m. (p. 12, Exhibit 67) Mr. Mecum acknowledged that there were campaign related discussions at the workplace, but that they weren't "for any length of time." He added, "The AG has called senior staff, you know, the one's he – his trust circle in his office to ask our opinion on certain things from time-to-time." (p. 14, Exhibit 67) However, the conversations were for no more than 20 minutes at a time. Mr. Mecum was clear that it was Mr. Horne who initiated the campaign-related discussions at the workplace, not Mr. Mecum. (p. 15, Exhibit 67)

Mr. Mecum indicated in the interview by Mr. Vogel that he had urged Mr. Horne to get a paid campaign staff. He did not believe that having a campaign office was as important as having a paid campaign staff. Mr. Mecum pointed out that a significant portion of the campaign work had not been done, by the time of the July 2014 interview, such as opposition research. As Mr. Mecum put it, "...How to say this in the nicest term possible, the AG likes to conserve money. He's very – he's very – he's fiscally sound like that." (p. 22, Exhibit 67)

Later in the interview, Mr. Mecum, stated, with respect to, apparently, his involvement in the investigation, "Well, as you can probably appreciate, this is one of the more difficult positions I've ever been in." (p. 31, Exhibit 67)

Mr. Mecum volunteered information to Mr. Vogel about an occasion when Mr. Horne asked him to do campaign work at the AGO office.

BRETT MECUM: Well, I am searching back as we're talking and - and I'm trying to think if there's anything that we - we haven't covered. I told you about, you know, he'd call us into his office for, you know, six or seven, I think that was in the Beattie complaint, you know, various opinions. He'd direct to do various tasks. As I said there were many times that I would tell him, you know, "I can't do it right now," or whatever, you know, "It's just not the appropriate time." There was one time I did this to save his ass, he came and he had wanted an endorsement press release to go out. This was Marchish, and he - and I just kind

of resisted, resisted doing that, although I didn't think it was the right time anyway, getting endorsements, but, you know, well, he finally came down and threw a, probably one of the most poor written endorsements I've ever seen. Names spelled wrong, there was all sorts of stuff.

DON VOGEL: What do you mean, came down? He walked down the hallway from his office to your office?

BRETT MECUM: Yeah. To my office and simply said, "This is going out in 30 minutes, I want somebody to make changes to it," and I just couldn't in good conscience let him put something out like that, that would be embarrassing.

DON VOGEL: And it was a campaign release?

BRETT MECUM: Yeah. It was - it was an endorsement ad. I stopped what I was doing, rewrote the entire thing, figured out who the right names were.

DON VOGEL: His endorsement of who?

BRETT MECUM: Legislative endorsements. There were probably about 12 names, and he still had one of them screwed up because one of those people endorsed our opponent, but it was, you know, but all - you know, just, you know, if - if he'd put that out the way he wanted to, he would have been - he would be embarrassed. (pp. 36-37, Exhibit 67)

Mr. Mecum went on to explain that Mr. Horne basically indicated that it would be permissible to do campaign work at the AGO, and that he had been asked by Mr. Horne to do so "multiple times," but Mr. Mecum was purportedly insistent that he do the work after 5:00 p.m.

BRETT MECUM: The Attorney General himself, alright - the Attorney General himself has said to me multiple times, "It's okay to do this stuff now. You can just make up the rest of your hours later." Which my response was, I continued to then, "Sir, I appreciate that. After 5:00 would be more comfortable for it," and he's fine with, that response. There was never beyond him saying a phrase like that to me and my responding, you know, "Later on would be better," there is not - there was not pressure that came back that said, "Well, I want you to do it now," or anything beyond that.

The available evidence suggests that Mr. Mecum did send the above-described campaign related emails on State time while on duty, and, apart from these emails, did engage in substantive campaign-related work while on duty at the AGO.

Mr. Mecum did not respond to numerous messages left for him. He was, however, interviewed in July 2014 by Don Vogel, in connection with an investigation by a law firm hired by the AGO that started the investigation but was terminated before formal interviews were conducted. In this

interview, Mr. Mecum acknowledged that Mr. Horne had asked him on a number of occasions to perform campaign-related work at the office, and that on occasions Mr. Mecum did so, but generally he told Mr. Mecum he would do the campaign work after 5:00 p.m. Mr. Mecum acknowledged that there were campaign-related discussions at the AGO, which were prompted by Mr. Horne, but these discussions typically did not last more than 20 minutes. He also asserted that Mr. Horne had indicated that “comingling” of campaign work and AGO work at the AGO was permissible, so long as the lost AGO work time was made up later.

In Ms. Beattie’s affidavit, she claims that, according to metadata, Mr. Mecum spent 1,222 minutes working on the fundraising flyer for the Cuccinelli event. During the investigative interview, she acknowledged the possibility that the file had been left open on Mr. Mecum’s computer. Ms. Beattie estimated that she and Mr. Mecum had worked on this flyer for about three hours on State time. She also acknowledged that Mr. Mecum did not work on the flyer for the 20 plus hours (1,222 minutes) suggested in the Affidavit.

- 16. Issue: Allegedly, Mr. Archer conducted database work for the campaign during work hours and meetings were held between Mr. Archer, Mr. Mecum and Ms. Beattie to work on donor lists, voter ID lists, voter information and other campaign related matters. See Beattie Affidavit, page 15.**

Investigative Findings, Issue 16

Ms. Beattie claims that Mr. Archer was working on donor lists, voter ID lists, voter information, as well as the campaign website, while working at the AGO. We were unable to interview Mr. Archer, as discussed earlier in this report, although we were provided with the transcript of the interview of Mr. Archer performed by Mark Stribling of the MCAO.

Mr. Archer indicated in the interview by Mr. Stribling that there were times that Mr. Horne would visit his office and they would have campaign related discussions, although Mr. Archer attempted to downplay the significance of these discussions.

ARCHER: It was I think in December, or maybe November, I don’t remember, and Ken Cuccinelli had just come off a loss, but it was a (inaudible) loss in Virginia. Tom wanted to get him out here to do a fundraiser so, and he would do this often, he would come in and talk for like 10 minutes you know, no big deal, and he came in and you know, asked a couple of people about it and just kind of talk about it, and I would just kind of sit there and listen, I really didn’t have any input into these things, it was a short meeting, but those things would happen from time to time. It was just discussion. (emphasis added) (p. 10, Exhibit 32)

In his statement, which was part of Mr. Horne’s response, Mr. Archer stated:

On April 21st 2014 I went to the office of my supervisor, Margaret Dugan to meet for our regularly scheduled Monday morning meetings. Upon finishing regular

business, I informed Ms. Dugan that due to my full-time job at the Attorney General's Office, as well as personal and outside obligations after-hours, I would not be able to continue assisting on a website refresh for electtomHorne.com that I had done some preliminary work for.

It is interesting to note that Mr. Archer's discussion with Ms. Dugan and Mr. Horne on April 21, 2014, about not being able to work on the website "refresh" for which he had done some preliminary work, came at a point after a series of seven (7) public records requests were submitted in the period from April 7, 2014 to April 15, 2014, requesting timesheets for Ms. Beattie, Ms. Grisham and Mr. Mecum, and detailed employment information about Brett Mecum, including emails and text messages. (Four additional public records requests for similar information were made on August 28-29, 2014.) Information about these public records requests was common knowledge, and Mr. Archer would have known that the AGO, and other persons in the executive offices like Mr. Mecum and Ms. Beattie, were coming under intense scrutiny from the media for possibly working on the campaign while on state time.

The fact that Mr. Archer said, after the intense media scrutiny began, that he could not work on the campaign website any further, can be reasonably interpreted as an effort to separate himself from the Horne campaign "after the fact."

Review of Ms. Beattie's gmail account revealed that, during Mr. Archer's employment with the AGO, in the period from August 2013 to April 2014, he sent 29 campaign related emails, of which 16 were sent during normal business hours (0800 to 1700, except 1200 to 1300 hours) when he was working, and 13 were sent outside of normal business hours or during normal business hours when he was not, according to his schedule, working. The extent of his involvement in email transmissions, based solely on the emails he sent to Ms. Beattie, was significant, and not de minimus. This is premised in part, as discussed elsewhere in this report, on a reasonable conclusion that the information about Mr. Archer's campaign-related emails that surfaced in Ms. Beattie's gmail account would be only a fraction of the total campaign-related emails involving Mr. Archer. Beattie's gmail account only contains the emails she received from Mr. Archer or sent to him, and it is reasonable to conclude that Mr. Archer would have communicated by email with persons besides Ms. Beattie about campaign-related matters.

The evidence reflects that, while Mr. Archer wanted to downplay his involvement in campaign-related tasks while on state time, he acknowledged having discussions from time to time while at the workplace with Mr. Horne about campaign related matters. Based on this admission and information from other sources, including Ms. Beattie's account, the email record, and other evidence, it is clear that the extent of Mr. Archer's involvement in campaign related matters while on state time was more than merely "water cooler talk," but rather substantive.

- 17. Issue: Allegedly, on November 21, 2013 at 11:40 a.m., Mr. Archer sent an email to Mr. Horne and Ms. Beattie regarding an internal donor solicitation list for the Cuccinelli fundraiser. See Beattie Affidavit, page 15 and Exhibit 30.**

Investigative Findings, Issue 17

Review of Ms. Beattie's gmail account revealed that, during Mr. Archer's employment with the AGO, in the period from August 2013 to April 2014, he sent 29 campaign related emails, of which 16 were sent during normal business hours (0800 to 1700, except 1200 to 1300 hours) when he was working, and 13 were sent outside of normal business hours or during normal business hours when he was not, according to his schedule, working. The extent of his involvement in email transmissions, based solely on the emails he sent to Ms. Beattie, was significant, and not de minimus.

18. Issue: Allegedly, Debra Scordato, Mr. Horne's Executive Assistant, sent numerous campaign related emails, and engaged in other campaign related tasks, while working on State time.

Investigative Findings, Issue 18

In paragraph 27 of the Beattie Affidavit, specific information is provided about the following affidavit.

- Email from Debra Scordato to myself, Tom Horne, Margaret Dugan, Brett Mecum and Garrett Archer, regarding a fundraiser for Tom Horne to be hosted by Bill McGibbon and Cindy Coping in Green Valley, with two attached documents dated "Tue Dec 3, 2013," and sent by Debra at 10:04 a.m., attached hereto as Exhibit 19.
- Email from Debra Scordato to at least me regarding the fundraiser headlined by Ken Cuccinelli at the home of Don Tapia for the next day with attachment, dated "Wed Dec 4, 2013" sent by Debra at 12:12 p.m., and attached hereto as Exhibit 20.
- Email from Debra Scordato to Brett Mecum, Garrett Archer, Larry Weitzner, Margaret Dugan, Mila Makal, myself, Stephanie Grisham, and Tom Horne, regarding Core Campaign Meeting with attached minutes of meeting, dated "Fri Mar 28, 2014," sent at 11:50 a.m., and attached hereto as Exhibit 23.
- Email from Debra Scordato to at least me, regarding Core Campaign Meeting with attached minutes of meeting, dated "Tue, Apr 1, 2014," sent at 2:54 p.m., and attached hereto as Exhibit 24.

Tom Horne did not respond in his various Responses to these particular emails.

In Ms. Scordato's statement, which was an attachment to one of the Horne responses, Ms. Scordato provided information that her "best recollection" or "belief" was that these four emails were sent either during her lunch or her breaks. The emails were sent at 10:04 a.m., 12:12 p.m., 11:50 a.m. and 2:54 p.m., respectively. It is arguably remarkable that Ms. Scordato, with respect to every email she sent that was specifically cited in the Beattie memo, recalled that she was on her break or her lunch hour when she sent the emails.

Review of Ms. Beattie's gmail account revealed that, in the period from 8/1/13 to 4/30/14, Ms. Scordato sent 125 campaign related emails, of which 83 were sent during normal business hours (0800 to 1700, except 1200 to 1300 hours) when according to her schedule she was working, and 42 were sent outside of normal business hours or during normal business hours when she was not working. The extent of her involvement in email transmissions, based solely on the emails she sent to Ms. Beattie, was significant, and not *de minimus*. That said, as discussed in the findings relating to Issues 13 and 14, Ms. Scordato's timesheet records reflect that she regularly worked more than 8 hours per day.

As discussed in the findings to Factual Issues 13 and 14 above, the documentary evidence clearly established, based on information gleaned from Ms. Beattie's private gmail account, that the number of campaign related emails sent by Ms. Scordato during normal business hours, which can be inferred is a fraction of the campaign related emails she sent, constitutes significant campaign work on State time, and is not de minimus. The record also reflects that Ms. Scordato frequently worked more than 8 hours a day.

- 19. Issue: Allegedly, Tom Horne on frequent occasions made calls to potential campaign contributors in his office at the AGO in the presence of Sarah Beattie; and used and kept in his office a binder surreptitiously labeled with the words "Border Patrol," containing information about and lists of campaign contributors or potential contributors.**

Investigative Findings, Issue 19

Mr. Horne vehemently denied that he placed any calls to donors while on State time or from the premises of the AGO EXO. Ms. Beattie indicated that on numerous occasions, particularly in the last three months of her employment, Mr. Horne would call her into his office at the EXO and, while she was present, he would make calls to potential contributors.

Ms. Beattie claims that she was in Mr. Horne's office, approximately every other day in the last three months of her employment, when he made or took calls to donors or potential donors, or asked her questions about donors or potential donors. When asked how much time she spent in Mr. Horne's office while calls were being made to or received from donors by Mr. Horne, on the average, her response was as follows.

SB: You know, sometimes it would be a half an hour, sometimes it would be five minute increments, I didn't have a door, I was directly outside of Mr. Horne's office so I would go shut myself into Garrett's office or Brett's office or Adria's office frequently just to get away from him towards the end because it was becoming so frequent that he would pull me away from my desk and ask me to help him with calls or talk about campaign stuff. (p. 11, Exhibit 26)

She went on to clarify that she could be in Mr. Horne's office three or four times a day, anywhere from five minutes to a half hour each time, during which donation calls were made. She indicated that she was in his office, when Mr. Horne was making donation calls, a vast

amount of time, and as she put it, “I never felt like I was in the Attorney General’s Office, I felt like I was in the Attorney General’s campaign headquarters and that’s what it was.” (p. 11, Exhibit 26)

Ms. Beattie indicated that she had been to Rock Products on approximately 10 to 12 occasions, during which on occasion, Mr. Horne would make calls to donors or potential donors. They used the conference room at Rock Products, and there was no special room set aside for use by the campaign. When the conference room was in use, they would sit in Steve Trussell’s office or someone else’s office. According to Ms. Beattie, while Mr. Horne had claimed in the response documentation that all solicitation calls were being made off premises, her observation was that more calls were placed in the EXO than off premises.

While Mr. Horne flatly denied that he ever made any campaign calls from the AGO EXO, Ms. Beattie claims that he did so regularly, particularly in the last three months of her employment (roughly February to April 2014). Mr. Archer did confirm that on one occasion Mr. Horne did make calls from Mr. Archer’s office in connection with a fundraising event, so there was independent corroboration that Mr. Horne would make campaign related calls from the EXO. Mr. Archer’s corroborative commentary tends to bring into question the accuracy of Mr. Horne’s broad claim that he never made calls in connection with fundraising from the AGO EXO.

- 20. Issue: Allegedly, on March 25 and 26, 2014, Mr. Horne and various AGO Executive Office employees, who were also associated with Mr. Horne’s campaign, participated in a detailed series of emails relating to the status of and problems with the Horne 2014 campaign, and issues with core campaign team members completing assigned tasks. This series of emails evidences that campaign work, or discussion of same, was taking place on State time.**

Investigative Findings, Issue 20

Not found in Ms. Beattie’s private gmail account, but obtained by Clean Elections during its inquiry, was a series of email exchanges (See Exhibit 21) between core campaign members, with many of the emails sent during regular business hours, dealing with what was perceived to be an organizational crisis with the Horne 2014 campaign.

Date / Time	Sender / Recipients	Subject / Text of Body
03/25/14 13:57	From: Grisham To: Horne, Dugan, Weitzner, Mecum, Archer, Beattie, Scordato	Re: Facebook Milestone. Hi all, I’ve been working hard on Fbook every day and am pleased to tell you we reached 6,000 Likes today. If you’ll notice, I have been really conversational and engaging of our Facebook family - this is what we should be doing in all aspects of the campaign. Tom as a person is easier to vote for than Tom the Attorney. We need to be talking to people, thanking people, giving people credit, etc.
03/25/14 14:14	From: Beattie To: Grisham	Re: Facebook Milestone. Thank you for doing all that you do. I’ve noticed a severe lack

	Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato	of campaign enthusiasm and productivity. Do you have any ideas to get some of our efforts back on track? Brnovich is really gaining traction
03/25/14 14:29	From: Weitzner To: Grisham, Horne, Dugan, Mecum, Archer, Beattie, Scordato	Re: Facebook Milestone. excellent
03/25/14 14:53	From: Scordato To: Grisham Cc: Horne, Dugan, Weitzner, Mecum, Archer, Beattie	Re: Facebook Milestone. You, my dear, are an asset. Great work as usual.
03/25/14 17:47	From: Dugan To: Grisham Cc: Horne Weitzner, Mecum, Archer, Beattie, Scordato	Re: Facebook Milestone. Looks great! You do awesome work!!!
03/25/14 21:33	From: Grisham To: Beattie Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato	Re: Facebook Milestone. Thanks Sarah, couldn't agree more. As a campaign of just "volunteers", we are very clearly doing things last minute with not much of a strategy, and making some amateur mistakes. It's too bad too, because this is one hell of a group of talent. Brnovich is a lightweight, but he sure looks like he is criss-crossing the state, making announcements, weighing in on things and gaining some momentum. I don't want to even acknowledge him, but the fact remains he seems to be doing at least better, and is certainly getting more aggressive in his speaking engagements. And Rotellini's camp is already very impressive and organized. Meanwhile, where are we with: <u>Polling</u> - Can we do any kind of inexpensive polling to see where we are in the primary? Or is the timing bad? <u>Opposition research</u> -We have certainly talked about this for months, yet nothing is done. Kind of important. <u>Organized announcements</u> -I created a calendar of weekly announcements. I included the topic, who should write it, what the ask would be, etc. I sent it around for approval and received very little feedback. Since then we have sent one announcement with an endorsement that wasn't correct. <u>Endorsements</u> - Speaking of announcements...what endorsements do we have? Is that located in a central place now? Are they all confirmed? When will we start announcing those? <u>Timing/Messaging</u> -Things are so last minute, we go through a lot of edits, and with all of us having day jobs, busy schedules, lunches, it is difficult to get things out in a timely manner. <u>Email database</u> - Do we have one? Where are we on that? <u>Collateral</u> -I mentioned a couple of months ago doing a one-pager comparing candidates. Brett you said you could write that up in very little time - have you had an opportunity to do that? Who will design it? <u>Fundraising</u> -I know Sarah has been keeping Tom on track with calls but do we have a fundraising committee to help her? I remember her asking about that awhile ago. <u>Volunteer list</u> - Who ARE our volunteers? I keep hearing about them but no idea who they are (except who attends

		<p>meetings) or what they are wanting to do. Is there a list somewhere in case we needed to reach out to them on the fly?</p> <p><u>Website</u> -Who is in charge of updating that? When will it be done? Do we have a deadline?</p> <p><u>Social Media</u> - I have that handled, but it would sure be easier if some of the above were in order.</p> <p><u>Meetings</u>- Do we think they are being utilized in a good way?</p> <p>Signatures are certainly a huge part of all this and kudos to Margaret and everyone else who has been working on that aspect, but honestly the primary is a few short months away and the campaign is falling apart (in my opinion). Morale is low, clear direction is non-existent. The fact that I am writing this out in an email at 9:21 PM rather than the core group of us talking it out is unfortunate.</p> <p>Tom, it is your campaign and Margaret, you are campaign manager so ultimately this all rests with you. I have mentioned burn out and low morale to you both before, I am now putting it in front of the core group because we really do need to pull it together. I suggest we all have a meeting to discuss where things seem to be going wrong: Is it that there's not enough hours in the day? Too many cooks in the kitchen? Unfair expectations? Micromanaging? Lack of leadership? Too much leadership?</p> <p>We need to win the race, not worry about hurting each other's feelings. We can all make up as soon as Tom is re-elected.</p>
03/25/14 21:47	<p>From: Beattie To: Grisham Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato</p>	<p>Re: Facebook Milestone.</p> <p>Here are my comments to Stephanie's points. If I do not handle the area I marked it "NA". I would appreciate responses from everyone and suggestions.</p> <p><u>Polling</u>- As to my knowledge Garrett is able to poll as he did previously. I think we need to figure out polling targets, etc in an organized fashion.</p> <p><u>Opposition research</u> -I know my Mike suggested a person who was able to do OPed research for a cheap rate, it was met with resistance from Brett and Garrett who thought someone else could be better suited, which is great lets get things going. Can we possibly get the names of potential researchers? That was two meetings ago.</p> <p><u>Organized announcements</u>- Announcements need to be happening as they are a great way to include fundraising asks and generate interest. If no one has time to write the emails then clearly we need to bring someone on who can get the emails done in a timely matter; maybe a campaign intern? Either way something needs to happen.</p> <p><u>Endorsements</u> -I am NOW holding on to ALL endorsements that come my way. Keep in mind I was not on board initially to collect any of the original endorsements. See timing for more.</p> <p><u>Timing/Messaging</u> -I think sitting down and creating a timeline to make everyone's lives easier weekly would be wonderful. That way we can coincide with pressers and other weekly events; AND INCLUDE FUNDRAISING ASKS.</p>

		<p>Also, we could plan out appropriate times to roll out endorsements, and generating press.</p> <p><u>Email database</u>- N/A</p> <p><u>Collateral</u> - N/A</p> <p><u>Fundraising</u>- WE NEED A FINANCE COMMITTEE. This takes time and doesn't raise money initially but we need to have a finance committee with a monthly phone in call. This will help us long term. In addition as I suggested when limits went back up I would like to go through and call everyone who gave \$912 and encourage them to meet the new max. Also, I would like to organize some projects that got dropped such as "Lawyers for Horne". I know Cantelme was willing to help months ago, Brnovich will be rolling out his Lawyer coalition shortly. Any other coalition ideas are accepted. My call time is limited. I am considered hourly so I have to be there 8 hours a day and I can be off at three however I can prepare things in advance but others who do not have hourly restrictions can also help out with keeping call time on track.</p> <p><u>Volunteer list</u>- N/A</p> <p><u>Website</u> - N/A?</p> <p><u>Social Media</u>-N/A</p> <p><u>Meetings</u>- Would be helpful if everyone showed up.</p>
03/25/14 22:10	From: Beattie To: Martinez	<p>Re: Facebook Milestone.</p> <p>So when everyone's pissed at Stephanie and I tomorrow here's why: forwarded message from Grisham with Sarah's input on Grisham's bullet points pertaining to the campaign.</p>
03/25/14 23:57	From: Scordato To: Grisham Cc: Beattie, Horne, Dugan, Weitzner, Mecum, Archer	<p>Re: Facebook Milestone.</p> <p>Steph, I couldn't agree with you more. Especially moral being in the gutter. No one has the ambition or the fire in their belly to get out there and do 'their' part. It's just a certain few that are saying and doing. That doesn't win an election and we can't keep tip toeing around the bigger picture here. Tom is in a Primary. We have to be smarter than Brnovich and be a step ahead at all times. Not happening. Tom is doing a great job as AG and the state and the people of Arizona need him for another 4 years. We do need a clear direction and to-do lists that are getting done and not just talked about. Maybe it's time to figure out who wants to totally work this campaign and go at it strong and those who don't. Because if you don't, just back out so the rest of us can pull it together.</p>
03/26/14 04:51	From: Horne To: Scordato Cc: Grisham, Beattie, Dugan, Weitzner, Mecum, Archer	<p>Re: Facebook Milestone.</p> <p>We need to meet as soon as possible and get these things straightened out. Please let Debra know about time conflicts and she will schedule a meeting at Rock Products today, or if that's really impossible, tomorrow latest. Save any further negative comments for the meeting. Written comments sometimes end up in bad places. [In response to chain email.]</p>
03/26/14 09:16	From: Scordato To: Horne Cc: Grisham, Beattie, Dugan, Weitzner, Mecum, Archer	<p>Re: Facebook Milestone.</p> <p>Is everyone available to meet today any time between 1-3 at Rock for maybe 30 minutes? [In response to chain email.]</p>
03/26/14 09:36	From: Beattie To: Scordato Cc: Horne, Grisham, Dugan,	<p>Re: Facebook Milestone.</p> <p>Yes. Answering Scordato's email about meeting at Rock between 1-3 for 30 minutes.</p>

	Weitzner, Mecum, Archer	
03/26/14 11:23	From: Scordato To: Horne Cc: Grisham, Beattie, Dugan, Weitzner, Mecum, Archer	Re: Facebook Milestone. I have secured Rock Products for noon tomorrow for an hour. See you all there. [In response to chain email.]
03/26/14 13:14	From: Weitzner To: Scordato, Horne Cc: Grisham Beattie, Dugan, Mecum, Archer	Re: Facebook Milestone If you want to make it at the end of the day, I can come by. I have a quick stop in Arizona. Please also review the lack of follow-up on things we discuss at meetings. It's alarming to me when we meet and discuss things like changing the website to add a more ideological component and doing a comparison piece that nothing happens. On a low budget campaign-everything needs to happen. The good news is it is early enough to fix it. But you need clear-cut responsibilities, someone to take notes and send out a follow-up list (this was mentioned at my first meeting and never done) and someone clearly in charge. Tom should be the AG, the chief fundraiser-he should not be responsible for the operation. So please set up something with a chain of command and list of expectations. In my view, at some point soon, you want a full time manager doing this. I know it takes money out of the media budget, which is most critical, but I am hoping with someone in this role Tom can spend more time on fundraising and by showing RAGA and the GOP establishment we have a solid well run campaign, that we will raise more money.
03/26/14 14:10	From: Grisham To: Weitzner Cc: Scordato, Horne, Beattie, Dugan, Mecum, Archer	Re: Facebook Milestone. I can certainly make end of day happen. [Replying to Weitzner's response about meeting at Rock Products.]
03/26/14 14:38	From: Beattie To: Grisham Cc: Weitzner, Scordato, Horne, Dugan, Mecum, Archer	Re: Facebook Milestone. I'll make whatever work. [In response to chain email.]
03/26/14 14:56	From: Scordato To: Weitzner Cc: Horne Grisham, Beattie, Dugan, Mecum, Archer	Re: Facebook Milestone. Larry, I changed the meeting at Rock Products for 5 p.m. Glad you will be there. [In response to email chain.]

The discussion with Mr. Horne relating to this email string is found in the discussion of Factual Issue 20 in Appendix A, Compilation of Investigative Data. In summary, in the interview, Mr. Horne played off the angst expressed in the emails about the campaign as "volunteers" being overly concerned out of inexperience about the status of the campaign, and the lack of progress in organization and assigned tasks. From Mr. Horne's standpoint, it was early in the campaign, which did not, he claimed, begin to heat up until the summer months, apart from campaign petitions, which was largely handled by that point. This position on the part of Mr. Horne, about the "volunteers" over-reacting out of inexperience, is undercut by the following statements in the email chain from Larry Weitzner, who was not a volunteer but Mr. Horne's paid campaign consultant, and who reportedly is anything but inexperienced.

Please also review the lack of follow-up on things we discuss at meetings. It's alarming to me when we meet and discuss things like changing the website to add a more ideological component and doing a comparison piece that nothing happens. On a low budget campaign-everything needs to happen.

The good news is it is early enough to fix it. But you need clear-cut responsibilities, someone to take notes and send out a follow-up list (this was mentioned at my first meeting and never done) and someone clearly in charge. Tom should be the AG, the chief fundraiser-he should not be responsible for the operation. So please set up something with a chain of command and list of expectations. In my view, at some point soon, you want a full time manager doing this. I know it takes money out of the media budget, which is most critical, but I am hoping with someone in this role Tom can spend more time on fundraising and by showing RAGA and the GOP establishment we have a solid well run campaign, that we will raise more money.

Mr. Horne also suggested in the interview, consistent with his statements in the Horne Response documentation, that the emails sent during what appeared to be the regular work day were likely made when employees were on break, although he provided no basis for establishing that this speculation was true.

Mr. Horne acknowledged in the interview that Mr. Mecum and Mr. Archer were not progressing well on their assigned campaign tasks, but his position is that, as volunteers, they could not be faulted (or chastised), and he told them that he understood. Mr. Horne's position was that they could not get their "volunteer" campaign work done because they were occupied with work related to their jobs at the AGO.

Regardless, the email string could hardly be characterized, from either a standpoint of the number of emails, or the standpoint of the gravity of the content of the emails, as merely "insignificant," *de minimus* communications about the campaign while on State time. There were significant campaign issues to address, and it appears that an emergency meeting to discuss the issues was hastily scheduled to address the issues that had been raised. Further, a number of the emails, although not the longer emails, were sent during normal business hours.

It is also significant that Ms. Beattie took a position in the emails that was contrary to her position that, after she was transferred to Constituent Services, the vast majority of her time while on duty was devoted to the campaign. Her comments in her 3/25/14 email, relating to campaign finances, were as follows.

Fundraising- WE NEED A FINANCE COMMITTEE. This takes time and doesn't raise money initially but we need to have a finance committee with a monthly phone in call. This will help us long term. In addition as I suggested when limits went back up I would like to go through and call everyone who gave \$912 and encourage them to meet the new max. Also, I would like to organize some projects that got dropped such as "Lawyers for Horne". I know Cantelme was willing to help months ago, Brnovich will be rolling out his Lawyer coalition shortly. Any other coalition ideas are accepted. My call time is limited. I am considered hourly so I have to be there 8 hours a day and I can be off at three

however I can prepare things in advance but others who do not have hourly restrictions can also help out with keeping call time on track. (emphasis added)

This would suggest that Ms. Beattie had a schedule that started at 7:00 a.m. and ended at 3:00 p.m., and was doing campaign work before or after this time frame. Given the way she framed her comments, it would appear that Ms. Beattie was of the belief that other employees (who had exempt status and did not have “hourly restrictions,” as she put it) could make calls while they were on duty but she could not.

In the supplemental interview of Ms. Beattie, she offered the following explanation for her comments about her call and work time in the email string.

A: This was me very close to the end, getting frustrated and pointing things out. This was also probably strategic and talked about in the text messages with her that I’m not going to get in trouble at this point because these were when requests were coming in, to the best of my knowledge that I remember, for staff timecards, not timecards, hours and from different outlets, and we were all starting to feel the pressure, so....

Q: ...But are you saying that this was kind of in a CYA sort of period for you? Is that why you were....

A: CYA for me, and also Stephanie actually had my back on a lot of this, of not wanting us to get into trouble when other people weren’t necessarily abiding by the rules. This was just at a point where I was saying it’s not worth it....

Q: Well, let me ask a better question. When you were at the AGO, actually on duty, were you doing campaign work in this timeframe?

A: I’m, I’m, I am inclined to say yes because I don’t remember a time where I honestly was not doing anything campaign-related. Whether or not I lowered or cut back, we were still all doing it. I don’t, I don’t think there was a period of time where we ever stopped because of media requests, or anything.

Q: Alright. So it sounds like, if I’m understanding you correctly, there was a period towards the end where your attitude changed about what was taking place?

A: I was definitely less engaged and less inclined to put myself at risk.

Q: Alright. And that had to do with doing campaign work while you were on duty at the AG’s....

A: Well, and I was very, I mean, it was only two years ago, but I was fairly young, and I was getting freaked out by people asked for our timecards and stuff like that. Everyone else seemed pretty unfazed by it, but I was like, we, we can get in trouble. (pp. 2-3, Exhibit 64)

According to Ms. Beattie, Ms. Dugan did tell Sarah, from time to time, that she should not be doing campaign work on State time, but then Mr. Horne would call her in for one campaign reason or another, and she would proceed to perform campaign work on State time. Ms. Beattie stated in the investigative interview that she considered Ms. Dugan's comments to be "CYA," so that if Ms. Dugan was questioned in the future about AGO EXO employees campaigning on State time, she could say that she had instructed employees not to do so. The following interchange in the investigative interview is instructive about Ms. Beattie's position about having been told not to do campaign work on State time.

KS: You know, one of the big issues in the response from Mr. Horne is that, at least from the standpoint of Mr. Horne, he says that you were, in fact, instructed, specifically instructed, not to work on campaign activities during your regular hours working for the Attorney General's Office.

SB: That's not true. It would come and go. Margaret would often come by and go through phases when our records would be FOIAed etc., by media, and say, you know, let's be diligent about not doing stuff on State time, wait until your lunch break, send an email at 12:00 versus 11:30 from your desk. But then there would be weeks when nobody would say anything. So there was never anything consistent.

KS: Well, I mean, the fact that your hours were changed from 7:00 to 3:00...

SB: ...I did that, though. Nobody changed them for me. I did that. I took the initiative and did that. And, as I said, I wasn't consistent with that. Sometimes I'd come in 9:00 to 2:00, sometimes I'd come in 9:00 to 4:00. I mean...

MH: Sarah, if Margaret is periodically coming to you and saying... make sure you're not doing campaign work on State time, was she also aware that you were often spending most of your day doing campaign work?

SB: Yeah, she knew, and we spent most of our time, Margaret and I never discussed anything official, either, maybe a couple of times we talked about official work but Margaret and I spent, because I was right outside of her door, most of our discussions were campaign or she'd call me into her office and she would access, actually, her personal email from her State computer. I didn't. But she would and she'd ask me to look at stuff, to forward stuff, etc. So like I said, they might, Margaret might have said it, but that certainly wasn't what was going on.

MH: And you're certain that she was aware that that's not what was going on?

SB: I am one hundred percent positive. Horne would pull us all into the meetings at any given time....

MH: ...When she said if she knew that you were spending much of your day on campaign work, and then periodically she'd come around and say, you know, make sure you don't spend your time doing, your work hours doing campaign work, was she doing that tongue in cheek or was she trying to cover herself or....

SB: It was all a CYA. I mean, it wasn't, and it was only, like I said, it would only happen when requests would come in from outlets or, you know, I remember one time I was pulled into Brett's office or Stephanie, Brett and I were having a discussion and Stephanie was saying delete anything you don't want seen from your personal email just in case, dah, dah, dah, dah, dah, dah, dah. So weeks like that, Margaret would get more strict about what we were doing but, like I said, everybody else came and went as we pleased. We all did campaign work on State time. It never really slowed down. In fact, there were several occasions where I went to my supervisor's office and I said, "Horne keeps pulling me away from official work" and she said if Horne says you need to do something, you just have to drop what you're doing and do what Horne says. That's just unfortunately how it works.

MH: And Margaret said that?

SB: No. That was my direct supervisor, Adria.

MH: Adria? Okay.

SB: Mmm-hmm. And Margaret, too. She would drop stuff, too, if Horne had something campaign related. (pp. 30-31, Exhibit 26)

In summary, the email string in question could be characterized as significant campaign activity, from a standpoint of the number of emails, the nature and gravity of the content of the emails, and the number of emails sent during regular business hours. There were significant campaign issues to address, and it appears that an emergency meeting to discuss the issues was hastily scheduled to address the issues that had been raised. Again, a number of the emails were sent during normal business hours.

It was noted that, in this email string, Ms. Beattie authored an email in which she stated, "My call time is limited. I am considered hourly so I have to be there 8 hours a day and I can be off at three however I can prepare things in advance but others who do not have hourly restrictions can also help out with keeping call time on track."

Ms. Beattie indicated that this was toward the end of her employment, and she was getting frustrated that others were not doing their assigned campaign work, but she and Stephanie Grisham were. She also indicated that these kinds of comments were "strategic" because she wanted to create a record that she was segregating her AGO work from her campaign work because she was fearful of eventually getting into trouble. However, she claimed that her AGO

work and campaign work continued to be interspersed while she was at the AGO workplace. Ms. Beattie also indicated that, in this time frame, the AGO began receiving public records requests for employee work files and timesheets. According to the documentation received from the AGO in response to our supplemental request for documents, the AGO began receiving public records requests relating to the timesheets of Ms. Beattie and other core campaign staffers on or about April 7, 2014.

21. Issue: Circumstances surrounding a Core Campaign Meeting held on 4/1/14, in which various statements were attributed to Mr. Horne and Ms. Dugan relating to the work of campaign team members.

Investigative Findings, Issue 21

According to the minutes of the 4/1/14 Core Campaign meeting, which were forwarded by Ms. Scordato as an attachment to an email sent on 4/1/14 at 2:54 p.m. (Beattie Email I322), persons in attendance were Tom Home, Garrett Archer, Sarah Beattie, Margaret Dugan, Debra Scordato, Mila Makal, Art Harding, Vanessa Martin and Adria Martinez, while Stephanie Grisham and Brett Mecum were absent. The following comments were attributed to Mr. Horne and Ms. Dugan.

Tom's comments:

- If you agree to do something then it needs to get done.
- As Campaign Manager, Margaret cannot reprimand anyone because of her position at the AG's office.
- I will step in and do what others will not.
- We are 120 days to early Ballots. Need to get to work.

Margaret's comments:

- Talk about minutes.
- Need to do activities, ASAP
- If you cannot volunteer, not a problem, it's a volunteer position.
- Weekly meetings will be here at Rock.

Additionally, there was a "Tasks" list that appears to have set forth substantive campaign work that needed to be accomplished or was completed or in process, with assignments to virtually all core campaign team members, including Mr. Archer, Mr. Mecum and Ms. Beattie, among others.

Mr. Horne's position about the comments attributed to him were as follows.

A: ...People were complaining things were not getting done, and they felt that they needed a strong leader to hold people's feet to the fire, and I was saying Margaret can't do that, because she supervises people at the Attorney General's Office, that would be an abuse of power. So her position was really a coordination position, not a boss.

Q: Had there, had there been a suggestion at some point in time, by someone, hey, let's have Margaret talk to people to get them, get a fire lit under them to get these things done, or something like that?

A: Not that Margaret should but that somebody should. And, and I was saying, you know, Margaret can't, because she supervises them, and I obviously can't, because I supervise them. So what I was saying was, you know, at this point, you guys are volunteers, nobody's going to pressure anybody. If you, if you can't do it, just please let me know you can't do it, and I'll do it. That's what I said. So I wasn't, I wasn't I wasn't complaining about people not doing things, I was just asking them, if you've said you'll do something and you won't, and you find you can't, just please let me know, and I'll do it. (p. 53, Exhibit 31)

When Mr. Archer was interviewed by the MCAO about this 4/1/14 meeting, Mr. Archer had taken the position that it was not unusual for campaigns that were of relatively small size, like Mr. Horne's 2014 campaign, to have employees serving on the campaign staff. Later in the interview, Mr. Stribling asked Mr. Archer about the potential conflict between, e.g., a person like Ms. Dugan serving as AGO Chief of Staff and also serving as the Campaign Manager. Mr. Archer's response was as follows.

I see what you're saying, I see what you're looking at there, but again, it's actually, what you're seeing there is you got a bunch of people that are very detail oriented like Margaret that want to do everything (inaudible) tasks and everything, but because of the fact that none of us could do work at the AG's Office, nothing was getting done. So where it says she cannot reprimand anybody, it's because this is the structure they chose. They chose to use volunteers rather than hire a consultant, a local consultant that has the staff. So that's right there saying that look, nothing is getting done because we're all volunteers. (Exhibit 32)

The meeting minutes and interview commentary from both Mr. Horne and Mr. Archer bring into to focus the potential problems of having one's campaign staff virtually comprised of employees of the AGO executive offices, and the fact that the campaign hierarchy was essentially the same as the executive office hierarchy. While Mr. Horne claims, as confirmed in core campaign team minutes, that he and Ms. Dugan gave assurances that it was not a problem that employees could not get their "volunteer" campaign work done because they were occupied with AGO work, the employees/"volunteers" could be left in the following quandaries.

- *Should an employee/campaign worker attempt to please Tom Horne, the AG, or Margaret Dugan, the Chief of Staff, or should he or she attempt to please Tom Horne, the candidate for reelection, or Margaret Dugan, the Campaign Manager?*
- *Even though employees may have been told that failure to get their campaign work done was not a problem, did they have reason to believe that failure to do their*

campaign work might result in their termination or some other adverse employment condition, especially in light of the fact they were at will employees?

- *Did employees have a reasonable basis for believing that they needed to get campaign work done, because if Mr. Horne was not re-elected, they would almost certainly be out of a job, knowing that a successor Attorney General would likely “clean house” and pick his own executive staff?*
- *How are employees/campaign workers going to interpret Mr. Horne’s statement, as set forth in the minutes of the core campaign team meeting, in obviously the context of campaign work, “If you agree to do something then it needs to get done?”*

Mr. Archer claims that because “none of us could do [campaign] work at the AG’s Office, nothing was getting done.” Mr. Archer’s claim is contrary to Ms. Beattie’s claim that significant campaign work was being done at the AGO; Mr. Archer’s own acknowledgement, in the case of the meeting that took place in Mr. Archer’s own office (See discussion of Factual Issue 2), that campaign work was indeed being accomplished in the office; and statistics relating to the significant number of campaign related emails sent during normal business hours by core campaign staff.

A further consideration is the possibility, which has been addressed in this investigation, that while Mr. Horne and Ms. Dugan were emphasizing that the campaign staffers were volunteers, and that they were not required to perform any campaign work, that at least some of the campaign staffers, such as Mr. Mecum, Ms. Beattie and Mr. Archer, were hired on at the AGO not just because of what skill and expertise they might bring to their jobs at the AGO, but also because of the expertise and experience they could bring to Mr. Horne’s re-election campaign.

22. Issue: Role of AGO EXO Staff as Core Campaign Staff; List of Campaign Team titles and responsibilities.

Investigative Findings, Issue 22

The individuals listed as Campaign Team members in an 8/21/13 list were as follows.

	AGO Position	Campaign Team Role
Tom Horne	Attorney General	Candidate for Re-Election; Horne 2014 Campaign Committee Treasurer
Margaret Dugan	Chief of Staff	Campaign Manager
Kathleen Winn	Director of Outreach and Education	Field Director
Garrett Archer	State & Federal Relations / Policy Analyst	Campaign Analyst
Stephanie Grisham	Press Secretary	Communications Director
Adria Martinez	Constituent Services Manager	New Media Coordinator
Art Harding	Director of Legislative Affairs	Political Director

Brett Mecum	Executive Consultant	Campaign Strategist
Deborah Scordato	Administrative Services Officer II	Finance Coordinator
Sarah Beattie	Administrative Assistant III	Fundraising and Events Coordinator

Mr. Horne acknowledged that his core campaign staff, not including his paid political consultant, Larry Weitzner, was comprised of employees of the AGO, and with a few exceptions (e.g., Ms. Winn, and Ms. Beattie when she reported to Ms. Winn), they were officed in the EXO. Mr. Horne claims that Ms. Winn and Doug Nick, two of the individuals listed in the 8/21/13 Draft Campaign Team List (Beattie Exhibit A5) did not play an active role in the 2014 campaign. He also claimed that, while Margaret Dugan was listed as the Campaign Manager, she functioned more as a “coordinator,” and her principal role in the campaign was to assist getting signatures on petitions, a task at which she was skilled and diligent, according to Mr. Horne.

Detailed information provided by Mr. Horne and others, relating to the actual campaign work of the core campaign team members, is found in the discussion of Factual Issue 22 in Appendix B, Compilation of Investigative Data.

In summary, the evidence reflects that the core campaign team was virtually comprised of Mr. Horne’s executive staff at the AGO. Mr. Horne provided a long list of persons he claimed were volunteers on the Horne 2014 campaign, but it would not appear that these individuals functioned in the capacity of core campaign team members. As seen in the April 1, 2014 core campaign meeting minutes, the core campaign team, was comprised of Tom Horne, Garrett Archer, Sarah Beattie, Margaret Dugan, Debra Scordato, Mila Makal, Art Harding, Vanessa Martin, Adria Martinez, Stephanie Grisham and Brett Mecum. It is believed that, of these individuals, all were AGO employees except Mila Makal. Further, with the exception of Ms. Winn and Ms. Makal, by April 2014 the core campaign staff was virtually comprised of employees of the Executive Offices of the AGO.

23. Issue: Circumstances surrounding the background, hiring, AGO work and campaign work of Brett Mecum.

Investigative Findings, Issue 23

AGO Personnel Records of Brett Mecum (Exhibit 13) reflect that he was offered an Executive Staff Assistant position, making \$56,000 per year, starting February 4, 2013, in a letter dated February 1, 2013. The position was identified as full time, at-will, and uncovered as a political appointee with no overtime. Personnel Action Forms indicated the following.

- 2/2/13, start date, Legislative Assistant, uncovered, full time making \$26.9231 per hour, (\$56,000.04 annually)
- 5/11/13, uncovered job change to Executive Consultant II, raise from \$26.9231 to \$33,6539 per hour (\$70,000.11 annually)

Prior employment on Mr. Mecum’s LinkedIn Resume included the following.

- Intrepid Global Strategies, LLC, 8/11 to 2/13, Founder and Principal
- Arizona Republican Party, 1/09 to 6/11, Executive Director
- Arizona Republican Party, 10/07 to 12/08, Political Director
- Arizona Republican Party, 2/07 to 10/07, Communications Director
- Mecum and Associates, LLC, Consultant

Mr. Horne claimed in the interview that, before Mr. Mecum began working at the AGO, Mr. Horne knew who Brett Mecum was, given Mecum's long association and employment with the Arizona Republican Party, but he did not know Mr. Mecum. According to Mr. Horne, Kathleen Winn had developed a "friendly relationship" (Mr. Horne's words) with Mr. Mecum, and had recommended Mr. Mecum to Mr. Horne for a position on Mr. Horne's staff. It would not appear that Mr. Mecum, at least according to his LinkedIn resume, had prior governmental employment; rather, it would appear that from 2007 until he was hired in 2014, all his work was with the Arizona Republican Party or as a political consultant or campaign operative. Mr. Horne claimed that because of Mr. Mecum's background, Mr. Mecum would make a superb Legislative Liaison for the AGO. When asked about what Mr. Mecum did as a Legislative Liaison, Mr. Horne's comments were as follows.

A: That's a lobby, you lobby the legislators, and Brett was uniquely well-qualified for that, because he, he had recruited a number of the legislators to run, and he had campaigned for any Republicans who had, who had significant races, he had campaigned for them, so he was very, very highly qualified to do that work. (p. 5, Exhibit 31)

When it was pointed out that Mr. Mecum had extensive experience as a political operative, but no prior experience working in government as a liaison, Mr. Horne claimed that Mecum "could not have been more ideally suited to be Legislative Liaison." When asked in what respect Mr. Mecum was ideally suited for this position, Mr. Horne's response was as follows.

A: Because he had very good relations with the Republicans and the legislature, and they were the majority. Some of them, as I mentioned earlier, he had recruited to run, others he had campaigned for. And then when you have a very good relationship with some, than that reflects on your relationships with others, that he didn't recruit or campaign for but they knew of him as somebody who had helped their friends. And you couldn't have asked for a better person, really. (p. 40, Exhibit 31)

Mr. Mecum was identified in the initial list of campaign staff, dating to August 2013, as the Campaign Strategist. Mr. Horne denied that Mr. Mecum functioned in this role; rather, according to Mr. Horne the campaign strategist for the Horne 2014 campaign was a paid campaign consultant, Larry Weitzner. Mr. Horne advised that Mr. Mecum was involved in some campaign tasks, but it appeared that Mr. Horne went to lengths in the interview to minimize any claim that Mr. Mecum was substantively involved in the Horne 2014 campaign.

Mr. Horne acknowledged that, according to personnel records, Mr. Mecum became employed at the AGO on February 2, 2013, as a Legislative Assistant, and effective May 11, 2013, was promoted to Executive Consultant II. Mr. Horne's explanation was that Mr. Mecum's job didn't change, he was just given the new title so he could get a raise. When asked why Mr. Mecum was given this raise, Mr. Horne explained that Mecum had come to him and advised what he had been making at his last job, which was substantially more, although Mr. Horne was unsure what Mr. Mecum's last job may have been, apart from Executive Director of the Arizona Republican Party.

Mr. Horne denied that Mr. Mecum was hired and given a raise because of the abilities he could bring to the campaign; rather, Mr. Horne's position was that because of Mr. Mecum's extensive work history as a political operative, he would be ideally suited to function as a legislative liaison.

During the interview by Don Vogel of Mr. Mecum on July 8, 2014 (see Exhibit 67), when asked why he was hired at the AGO, Mr. Mecum indicated that he had been contacted by Kathleen Winn about possibly becoming the Communications Director for the AGO. Mr. Mecum claimed that he was reticent to take this type of position, which he had done for the Arizona Republican Party, because he had "no love of the press" and did not want to be "the guy in front of that." (p. 5, Exhibit 67) However, Ms. Winn contacted him and indicated that the legislative liaison position was opening up. He went on to indicate that he went down to the AGO to visit with Ms. Winn, who took him to see Mr. Horne, and they talked about Mr. Horne's "political path to victory."

BRETT MECUM: Right. So basically, I had made a - Kathleen had called me and I made a comment, kind of an off-the-cuff comment, "Hey, you know, that might be something I would kind of be," I - I entertained it. She goes, "Oh, okay." So, I don't know, maybe a week later, I - I don't remember the exact time, she called me and asked me if I could come down to the - the AG's Office to see her. So I went down to her office and we just had kind of a friendly, you know, catch up conversation. I wasn't aware that she was going to do this, but she took me up to see the AG. And we just chatted for quite a while, you know, about all sorts of different things. About, you know, the internal lines of his office, in terms of work and that kind of.

DON VOGEL: Getting comfortable.

BRETT MECUM: Yeah. Kind of his, you know, kind of, you know, his political path to victory, you know, kind of all - all those of sorts of things. So, you know, I didn't think too much of it, you know. There's lots of folks in the valley that like to pick my brain on - or my thoughts on, you know, the political climate, you know, just kind of (inaudible).

DON VOGEL: Somebody to (inaudible) and all the opinions you can.

BRETT MECUM: So, about a few days later I started getting phone calls from various people saying, "Hey, the AG called me about you and I gave them a good recommendation." I had no idea, you know, hadn't really said I would apply for the job, hadn't really - you know, it wasn't really a, you know, kind of a - you know, I hadn't really said, you know, "I want this job," or whatever it was, yeah, I didn't - I never formally applied and then I get a call from the AG saying, "Hey, if you're interested, I kind of checked you out, enjoyed our conversation. Understand that, you know, you kind of want to get in some of the - the Legislative stuff anyway, do you want to come work for me?" and I'm like, "Sounds interesting. Sure, why not." So that's kind of how that was.... (pp. 5-6, Exhibit 67)

Mr. Mecum acknowledged in the Vogel interview that he never completed an employment application for the AGO position (which is consistent with the representation from the AGO, in response to our records request, that there was no application for Mr. Mecum on file). He claimed that he did not know if the job position was posted or not.

In summary, the evidence suggests that Mr. Mecum was hired at the AGO in part for the purposes of furthering Mr. Horne's campaign. Based on information Mr. Mecum provided to Don Vogel, he was originally contacted by Kathleen Winn about taking a position as Communications Director at the AGO, but he was not interested in this position. Later, Ms. Winn contacted him and indicated that a legislative liaison position was opening up. She invited Mr. Mecum to visit the AGO, and she took him to meet Mr. Horne. During this meeting with Mr. Horne, there was, as Mr. Mecum put it, a discussion about Mr. Horne's "political path to victory." Mr. Mecum advised as well that he was not required to submit an employment application for the AGO position, and given the information provided by the AGO in response to our records request, it would not appear that the job position was posted, or that Mr. Mecum interviewed for the position.

It does appear, based on a preponderance of evidence, that Mr. Mecum performed campaign work while on State time; was instrumental in forming the core campaign team (according to Ms. Beattie, he had a hand in the crafting of the team list of responsibilities); recommended to Mr. Horne that the AGO hire Ms. Beattie and Mr. Archer in part because of their campaign and political experience; considered himself, Ms. Beattie and Mr. Archer to be a campaign "dream team"; and received a raise and promotion while in the employ of the AGO.

It should be noted that the investigators requested information relating to Mr. Mecum's employment application, recruitment for the position(s) he held, documentation relating to raises he received, and reasons for his separation from the AGO. The AGO advised that there was no employment application on file for Mr. Mecum with the AGO. Further, there was no documentation relating to any competitive recruitment for his position, or any interviews for the position he ultimately received, Legislative Liaison.

The AGO did produce a resume or CV of Mr. Mecum, which reflected employment as a self-employed campaign consultant with Mecum & Associates in Albany, NY from 2/03 to 2/07; as

Communications Director (2/07 to 10/07), Political Director (1/09 to 5/11) and Executive Director (1/09 to 5/11) of the Arizona Republican Party; and as a campaign consultant with Intrepid Global Strategies from September 2011 to the time he started to work for the AGO in early 2013. While Mr. Horne claims that Mr. Mecum was ideally suited to function as Legislative Liaison for the AGO, which may be true, Mr. Mecum was perhaps more ideally suited to function as a campaign consultant to the Horne 2014 campaign.

24. Issue: Circumstances surrounding the background, hiring, AGO work, transfer, raises and campaign work of Sarah Beattie.

Investigative Findings, Issue 24

In summary, based on a preponderance of evidence, the following conclusions can be drawn.

- Contrary to the position of Ms. Winn, a preponderance of evidence suggests that, at the lunch meeting involving Ms. Winn, Mr. Mecum and Ms. Beattie, there was discussion about what Ms. Beattie could do for the Horne 2014 campaign. According to Ms. Beattie, this lunch meeting took place well prior to the formal interviews for the position.*
- Mr. Horne acknowledges that Ms. Beattie was, at least in part, hired at the recommendation of Mr. Mecum, although reportedly the position was posted and other applicants were interviewed. Ms. Beattie indicated, however, that she had lunch with Kathleen Winn and Brett Mecum well prior to the interview, and a primary topic of conversation at that lunch was Mr. Horne's campaign and how Ms. Beattie could assist with the campaign.*
- Mr. Horne's position that he had no knowledge, before Ms. Beattie was hired and she volunteered to help him with campaign fundraising, that she had a background as a political operative/campaign worker, is not credible.*
- While Mr. Horne denies that Ms. Beattie was hired for even the partial purpose of working on his campaign, the evidence appears to indicate that she, Mr. Mecum and Mr. Archer were considered by some to be part of a campaign "dream team."*
- One of Mr. Horne's longtime friends and apparently trusted subordinates, Kathleen Winn, informed Mr. Horne that Ms. Beattie was a horrible employee, to the point that Ms. Winn threatened to quit if Ms. Beattie was not terminated. Despite receipt of this information, Mr. Horne elected to transfer Ms. Beattie (and Ms. Winn did not resign). Mr. Horne's explanation in the investigative interview was basically Ms. Winn was a "difficult" supervisor, and several other persons in the past had experienced difficulties with Ms. Winn but prospered after they were transferred. However, the fact that Ms. Winn was so critical of Ms. Beattie, as an employee and as a person, would seemingly be very important for Mr. Horne to weigh when deciding to retain her. An inference can be fairly drawn that Mr. Horne elected to keep Ms. Beattie at the AGO not because*

of her skills as an employee – again, Ms. Winn claims that Ms. Beattie was an astoundingly poor employee – but for other reasons, the most logical being that she could provide assistance to his campaign for re-election.

- *Ms. Beattie was not only retained and transferred, but a new position was created for her in Constituent Services, and she was given a raise. The work Ms. Beattie did in Constituent Services had previously been performed by unpaid interns. Roughly \$35,000 was allotted per year (her salary) to have Ms. Beattie work in a position that had previously cost the AGO nothing.*
- *At or around the time Ms. Beattie was transferred, she also received a raise. Mr. Horne's explanation for giving her a raise makes little sense, because the persons who had previously been doing Ms. Beattie's work in Constituent Services were unpaid interns. More likely, she was given the transfer and the raise because Mr. Horne wanted to keep her on board at the AGO because of the assistance she gave or could give to his campaign.*
- *Only a month after receiving the transfer and the first raise, from roughly \$32,000 to \$35,000 a year, she was given another raise to about \$45,000. Keep in mind that Ms. Beattie had only been doing the job in Constituent Services for about a month, and the job itself involved responding to letters and emails from constituents, which Ms. Dugan acknowledged was basically an entry level position requiring only good writing skills. Further, the job had previously been performed by unpaid interns. Mr. Horne's explanation for both raises was that some state employees don't get paid very much, and he wanted to help Ms. Beattie, claiming that he had a history of giving employees raises. This explanation does not appear to be credible – the most likely explanation for the transfer and the raises is Ms. Beattie giving assistance to Mr. Horne's campaign.*

These findings are premised on the information in the following, the discussion of Factual Issue 24 found in Appendix A (Compilation of Relevant Data), witness statements and other documentation.

Personnel File of Ms. Beattie and related documentation. AGO Personnel records (Exhibit 13) reflect that Sarah Beattie was hired by the AGO as an Administrative Assistant III, pay grade 17, making \$15.3847 per hour. The offer letter identified her position as full time, at-will, and uncovered with a starting date of August 5, 2013. Personnel Action Forms and other documentation gathered in the investigation reflect the following.

- 7/25/13, applied for employment
- 8/1/13, Beattie notified by letter that she had been conditionally hired as an Administrative Assistant III
- 8/5/13, start date, Administrative Assistant III in Community Outreach (supervisor: Kathleen Winn), \$15.3847 per hour.
- 9/23/13, transfer to Constituent Services (supervisor: Adria Martinez)
- 9/30/13, salary increase from \$15.3847 to \$16.827 per hour

- 10/26/13, salary increase from \$16.827 to \$21.6347 per hour
- 4/8/14, withdrew from campaign activities/responsibilities per email
- 4/22/14, submitted resignation (per Beattie email S151)
- 4/25/14, effective date of resignation

Prior employment on her application and resume includes the following.

- Lovasco, 2/12 to 12/12, Deputy Campaign Finance Director
- Rose Moser & Allyn Public Relations, 11/10 to 6/11, Administrative Assistant
- Friends of John McCain, 5/09 to 10/10, Executive Assistant

Information gathered in the investigation revealed that Ms. Beattie replaced someone as assistant to Kathleen Winn in Community Outreach, but upon her transfer to Constituent Services, a paid position was created for her.

Circumstances of the Hiring of Ms. Beattie. Ms. Beattie claims that before she was hired, she had lunch with Ms. Winn and Brett Mecum, and the majority of the meeting, according to Ms. Beattie, was spent on discussion of Mr. Horne's campaign and what Ms. Beattie might be able to do for the campaign, as an experienced fundraiser.

Ms. Winn denied that there was discussion at this meeting about Mr. Horne's campaign or what Ms. Beattie could do for the campaign. Ms. Winn claimed, to the contrary, that the lunch concerned Ms. Beattie's abilities and fitness to function as, basically, Ms. Winn's executive assistant. Ms. Winn acknowledged that, during the lunch meeting, Sarah Beattie brought up the fact that she had worked on various campaigns in the past, and she said that she was a "major fundraiser." Ms. Winn claims that she kept asking about Ms. Beattie's office skills, because she did not have the need for someone to run a campaign. As she put it, "I was having this meeting based on Brett's recommendation that she could be an office administrator." (p. 7, Exhibit 28)

When asked what information Mr. Mecum had provided to Ms. Winn about Ms. Beattie's work on political campaigns, even before the lunch meeting, Ms. Winn's response was as follows.

A: I don't, I don't have a, I don't have a recollection of having that conversation that she'd, that he may have mentioned it but it wasn't, but I don't remember him, you know, like I don't remember that's what, Sarah brought it up when we had lunch, that, that, that she had worked on some campaigns. And I said that was nice, but I, I, I was very focused on finding an assistant because that's, that was more important to me, and you have to realize in timing that I wasn't, you know, aware that the campaign was coming and, and knew that there would be a re-election but at, at that moment in time, I was also preparing for my hearing on the other matter. So I, you know, I was clearly not focused on a campaign. I was still dealing with the previous campaign legally and had been instructed by my attorneys and everyone else to have, you know, the new campaign was not going to have my involvement or participation. (pp. 5-6, Exhibit 28)

She denied that, at the time Sarah Beattie was hired by the AGO, she had contemplated that Ms. Beattie would have some role functioning in the 2014 Horne campaign.

Mr. Mecum declined to be interviewed, as noted elsewhere.

When asked if she understood that her primary purpose of coming to the AGO was to work on the campaign or to do the business of the AGO in Community Outreach, Ms. Beattie's comments were as follows.

SB: It was to work on the campaign in fact there was a point where I was afraid to quit the campaign and quit working on it because I knew I would lose my job. (p. 7, Exhibit 26)

Mr. Horne acknowledged that Ms. Beattie was hired upon the recommendation of Brett Mecum, who was her residential roommate at the time. Ms. Beattie and Ms. Winn agree that the position was posted, and Ms. Beattie was interviewed by a panel. Ms. Winn claims that there were other persons who interviewed for the position, but were not accepted, because Ms. Beattie was the superior candidate.

Mr. Horne claimed that he had no recollection of receiving any information about Ms. Beattie's prior work on campaigns or as a political operative until after she was hired, and she approached him and volunteered to assist with fundraising on the campaign. Mr. Horne denied that Ms. Beattie had been hired at the AGO, even in part, because of her capability of working on the campaign. When asked if it was strictly because she would be an effective Administrative Assistant, Mr. Horne's response was as follows.

A: Well, I wasn't part of that process. Kathleen needed an Administrative Assistant. Brett was a friend of hers. He recommended Sarah. Kathleen says that Sarah appeared to be qualified. She had been an Administrative Assistant before, and I was not part of any of that. (p. 37, Exhibit 31)

Beattie's work under Kathleen Winn's Supervision. From a standpoint of personal interaction, the information acquired from both Ms. Winn and Ms. Beattie revealed that Ms. Winn considered Ms. Beattie to be a horrible employee, who tended to exaggerate about her abilities, particularly as a campaign worker; and Ms. Beattie found Ms. Winn to be very disagreeable and difficult to work for. She also considered Ms. Winn to be dangerous for Mr. Horne's campaign and political aspirations. Discussed under other Factual Issues are matters relating to Ms. Beattie's work for the AGO under Ms. Winn and the extent of Ms. Beattie's work on the campaign in that 6 week period she worked for Ms. Winn.

Ms. Winn appeared to be evasive as to whether she knew that Ms. Beattie was working on the Horne 2014 campaign, apart from asserting that did not happen during the time that she supervised Ms. Beattie and Ms. Beattie was on duty. Again, she was very critical of Ms. Beattie, asserting that Beattie was sick, took days off, and was an ineffective employee. She also pointed

out that in that timeframe, there was no campaign. She then qualified that, saying that there “wasn’t a full-fledged campaign,” but there may have been a fundraising event. She claims that in August of 2013, “did I know she was working on the campaign, there wasn’t a campaign.”⁸ Mr. Horne had not formally announced that he was running for re-election. Ms. Winn did acknowledge that Ms. Beattie may have been involved in preliminary activities for a Horne 2014 campaign.

When asked again whether Ms. Winn knew if Ms. Beattie was working on the Horne 2014 campaign, Ms. Winn indicated that she knew that Ms. Beattie was working on one invitation to a campaign fundraising event, during the five weeks that Ms. Beattie had worked for her, but Ms. Winn told her to stop and sent her an email to that effect. Ms. Winn added, “So what she was doing, I don’t know. What she wasn’t doing was being my administrative assistant, and I, and I asked to, I wanted to fire her.” (p. 14, Exhibit 28)

Ms. Winn indicated that, given her concerns about Ms. Beattie, she spoke with Debbie Jackson in Human Resources (Ms. Jackson was the Director of Administrative Services), who listened to Ms. Winn’s concerns. Ms. Jackson said that ultimately it would be a decision for Margaret Dugan and Mr. Horne, so Ms. Winn spoke with Margaret Dugan, Ms. Winn’s immediate supervisor, and expressed her concerns. She showed Ms. Dugan text messages that Ms. Beattie had sent that were in Ms. Winn’s view “crazy” and “threatening.” She also told Ms. Dugan that she thought that Ms. Beattie should be terminated. In response, Ms. Dugan said that she would look into it and get back to Ms. Winn.

After Ms. Winn had spoken to both Debbie Jackson and Margaret Dugan, Mr. Horne talked to Winn and said that Ms. Beattie was going to be moved upstairs to the EXO. She described, as follows, Mr. Horne’s comments.

A: He said it wasn’t a, he said it wasn’t a fit. And I said moving her upstairs is a big mistake, and I gave him all my reasons that I had given to Margaret and to Debbie and I offered to resign because I was that adamant that she was a problem. And she was destructive and crazy.

Q: What was Mr. Horne’s response?

A: He got upset. He didn’t want me to resign. He, we were in the middle of our case, you have to understand then, so I, I wasn’t doing it as a threat. I just, I just had great concerns for the instability of Sarah Beattie. I just thought she, something wasn’t right. (p. 16, Exhibit 28)

Ms. Winn added the following information relating to Mr. Horne.

⁸ Ms. Winn’s comments in this regard appear to directly contradict the fact there was a campaign organizational meeting on 8/21/13 (See Beattie Exhibit A5), in which various persons, including Winn, were identified as being on the core campaign team for the Horne 2014 campaign.

A: I, I was surprised that he was coming down to lobby for this one person, to be honest with you, and I was upset because I honestly felt I wasn't being heard as it related to her.

Q: In other words, he wasn't listening or others weren't listening to your expression of concerns about her?

A: Yes. (p. 17, Exhibit 28)

Mr. Horne acknowledged that Ms. Beattie was unhappy with working under Kathleen Winn, and Kathleen Winn was unhappy with Ms. Beattie as a subordinate. Mr. Horne further acknowledged that Ms. Beattie did approach him at one juncture to express her displeasure working with Ms. Winn. Mr. Horne's description of this meeting was as follows.

A: Right, sure. Sarah came to me very unhappy. In fact, she showed me an area on her head where she's pulled out hair. She said she was literally pulling her hair out. And I will tell you this as a way of background, is Kathleen is extremely task oriented. If you give her something to do, she comes back the next day with it. And many employees, you know, would come back six months later. Kathleen got things done. The associated problem with that was that she was as tough on her employees as she was on herself, and so Sarah was not the only one to have problems. I can give you some examples. (p. 33, Exhibit 31)

He claimed that when Ms. Beattie came to complain about Ms. Winn, "It was nothing new." Mr. Horne claimed that in his 12 years in statewide office, if someone was already working for the state, but it was not working out, "We usually gave them a second chance in another area." He therefore asked Margaret Dugan if there was some other place that they could place Sarah Beattie, and Ms. Dugan came back and said that Adria Martinez needed some help in Constituent Services.

Mr. Horne acknowledged that he also had a conversation with Kathleen Winn about her dissatisfaction with Sarah Beattie, but he said he did not recall whether this discussion took place before or after Ms. Beattie was transferred to Constituent Services. Mr. Horne did acknowledge having learned from Margaret Dugan that Ms. Winn had "complained very vigorously" about Ms. Beattie, and said, "We shouldn't keep her," referring to Ms. Beattie. He did not remember any "intense discussion" with Ms. Winn about whether or not Sarah Beattie should be given a second chance; rather, they just went ahead and did it.

I pointed out to Mr. Horne that, according to Kathleen Winn, Sarah Beattie was a horrible employee and simply was not doing her job. His response was as follows.

A: Well, you can imagine the I-told-you-so's I got from Kathleen after this all occurred. But at the time I don't remember Kathleen telling me, don't move her. It's possible it happened but if it was, it wasn't in a very vivid way, because I

have no memory of it. But I, I'm told that she did say that to Margaret. (p. 35, Exhibit 31)

I pointed out to Mr. Horne that, according to Ms. Beattie's Affidavit, she told Mr. Horne that she could make a base salary plus commissions doing fundraising well above what she was paid to work at the AGO. Mr. Horne denied that this occurred, and asserted that when employees tell him that they can do better elsewhere, he tells them that they should go elsewhere.

Ms. Beattie's transfer to Constituent Services. Ms. Beattie indicated that she had enough working for Ms. Winn, and met with Mr. Horne to let him know that she was looking for another position.

The details of Ms. Beattie's position on this issue are set forth in paragraph 9 of the Beattie Affidavit.

9. I went to Tom Horne's office to let him know I would be leaving. In addition to me and Tom Horne, Art Harding was also present at that meeting in Mr. Horne's office. I told Tom Horne that I didn't like working with Kathleen Winn. I told him that it made more sense for me to be in Constituency Services and if he would agree to move me it would get me out from having to work with Ms. Winn. I specifically told Tom Horne "I think she is a hazard to your campaign." I told Tom Horne and Art Harding that on more than one occasion in the Executive Office and to more than just me, Ms. Winn would say "Tom Horne will never get rid of me; I know where all the bodies are buried." I explained to Mr. Horne that if he could not move me to Constituency Services, it would be okay. I explained that it was election campaign season and that I was getting a lot of job offers to go do fundraising and that if I was going to do it, I would have to do it right then. Tom Horne responded "We need you through next November. Okay, I will talk to Human Resources." I told Mr. Horne that I could go and make a base pay plus commissions doing fundraising well above what I was being paid to work in the Attorney General's Office. Mr. Horne responded "Okay, I'll take care of it."

In the Horne Response documentation, Mr. Horne denied that he or Art Harding recalled the meeting as Ms. Beattie described it.

According to Ms. Dugan, Ms. Beattie did not fill a vacant paid position; rather, a position in Constituent Services was created for Ms. Beattie, and that the work Ms. Beattie did in Constituent Services, basically, responding to constituent letters and emails, had previously been handled by unpaid interns. The following discussion, in part, took place in the interview on this issue.

Q: Well, why, why didn't you just continue with staffing with volunteers and save \$35,000 or \$40,000 a year?

A: Because they would sometimes say, I can't come in, there was, it's like a volunteer. They would sometimes not show up, and you couldn't count on them.

Q: And how many years had this position been staffed with volunteers?

A: Probably less than a year. Maybe a year, but we tried it, every semester we tried to get in college students to come in. They were good when they were there, but it wasn't consistent, wasn't a consistent....

Q: It doesn't sound like it's, it's a position that you really have to have a lot of experience doing, is that correct?

A: Right. Well, you have to know how to write reasonably well, because the letters go out and emails, and also it was other things, looking on the computers and doing things of that nature and knowing how to get yourself around a computer, so there were some skills. (pp. 71-72, Exhibit 29)

Ms. Dugan explained, when asked why Ms. Beattie was retained, insofar as there had been issues with her performance in Community Outreach, that when employees don't work out in a certain place, they try to find a new place for them. This was the same mode of operation that had been used by Mr. Horne during Ms. Dugan's employment with the Department of Education.

When asked whether Ms. Beattie (along with Mr. Mecum and Mr. Archer) was part of a campaign "dream team," and whether Ms. Beattie was efficient and capable in that capacity, Ms. Dugan's comments were as follows.

A: I don't, I don't know what to say, I mean, you know, she was average to me, she wasn't anybody that I would say is a super-duper star, you know what I mean? In my, and I've not been around fundraising, I haven't, so I don't know the extent of how much you should be having these events and people bringing money, I, I just don't. I just, as far as work ethic, not good. In my estimation. Now, I have a very high standard on work ethic and it just wasn't there. (p. 40, Exhibit 29)

Issue of Two Raises in Pay for Ms. Beattie. Mr. Horne acknowledged that Ms. Beattie received a raise when she went to Constituent Services.

A: \$32,000 to \$35,000. As I told you, the people in Constituent Services were, people in Outreach were very, very low paid. They were young people that could live with their parents, or whatever, and in the executive office, obviously people are making much more. (p. 35, Exhibit 31)

As to the second raise given to Ms. Beattie and feedback he had received about Ms. Beattie's performance in Constituent Services, Mr. Horne's comments were as follows.

A: Well, Constituent Services, yeah, she was, she was near my office. Adria's a little bit down the hall. The next time it came up was when, when Sarah came and asked me for a second raise, and she told me it was hard to get by on \$35,000, and I totally understood that. And I asked Margaret to check with Adria, as to whether she thought she deserved a raise, and the answer came back, yes, she was doing a lot of work and she was doing it very well and that Adria thought she did deserve the raise. And I will tell you that if you want, I can give you background about the fact I gave raises to very, very large numbers of people in my department. (p. 36, Exhibit 31)

Mr. Horne then provided an extensive explanation as to why he wanted to give raises, because public employees were underpaid compared to persons working in the private sector. He claims that his raises to Sarah Beattie were consistent with this practice in the office.

25. Issue: Circumstances surrounding the background, hiring, AGO work, and campaign work by Garrett Archer.

Investigative Findings, Issue 25

According to Mr. Archer's AGO personnel records (Exhibit 13), Garrett Archer was hired as a Special Projects Coordinator, pay grade 21, making \$28.8462 per hour. Personnel Action Forms indicated the following.

- 8/15/13, applied for employment
- 9/23/13, start date, Special Projects Coordinator, uncovered, full time, \$28.8462 per hour (\$60,000 annually)
- 12/7/13, status change to Training Officer 3, pay grade 21
- 5/16/14, tendered Letter of Resignation, effective 5/30/14
- 5/30/14, resignation effective

Prior employment on his application and resume includes the following.

- U.S. House of Representatives, 1/11 to 8/13 (present), District Representative with Rep. David Schweikert, ending annual salary \$42,000; reason for leaving: "recruited"
- Archway Strategic Communications, 2011 to 8/13 (present), Owner
- Lincoln Strategy Group, 8/08 to 12/10, Director of Information Technology, annual salary \$50,000, reason for leaving: "downsizing"
- Arizona Republican Party, 9/07 to 8/08, Director of Information Technology, annual salary \$50,000, supervisor: Sean McCaffrey, reason for leaving: "job offer"

It is significant that, even before Mr. Archer was hired, with a start date of 9/23/13, he was identified as a member of the Horne Core Campaign Team, effective August 21, 2013 (Exhibit 17.5), when a meeting was held off site to discuss the campaign. He was identified as a campaign operative before he became an employee of the AGO.

The records associated with the August 21, 2013 meeting (Exhibit 17.5) provided in part the following information about Mr. Archer's campaign title and duties.

8. Campaign Analyst-Garrett Archer

- Master of the Dark Arts
- Develop campaign technology and infrastructure
- Work with Communications Director and New Media Director to ensure campaign message dissemination
- Work with Campaign Strategist on voter targeting, data management, ballot chase

In discussion of his background during the interview by Mark Stribling of the MCAO, Mr. Archer indicated that he graduated from Loyola University in California with a bachelor's in Political Science and worked in 2006 for the victory campaign in California for the Republican Party. He relocated to Arizona in 2007 to work with the Arizona Republican Party. He subsequently worked for several different consulting firms until 2012, when he joined the office of Congressman David Schweikert as a Constituent Services agent and spent three years with him before joining the AGO. He acknowledged having worked for Lincoln Strategy Group and, as of the date of the interview, was working full-time with Archway Strategic, a political consulting firm he owns and operates. When he worked for Lincoln Strategy, he was the company IT person, managing the network and troubleshooting computer problems. In his work for Archway Strategic, he manages database files and statistics for campaigns all across the state, which has been his job since June of 2014, when he left the AG's Office.

Mr. Archer explained that prior to 2012, he was working on Congressman Schweikert's official staff and then moved over to his campaign staff, taking a leave of absence, and helped run his election efforts against Ben Quayle. After that, Brett Mecum, who Mr. Archer characterized as a friend, who had been working at the Attorney General's Office, suggested that Mr. Archer join the AGO, knowing that Mr. Archer wanted to do more work than just handling Constituent Services. At that time, Mr. Archer was working as a housing counselor for the federal government. He went to the AG's Office, by which time Doug Nick had left just before Mr. Archer was hired, and "they" pointed out that he had federal policy experience, but no legislative experience, and it was suggested that Archer would be able to assist in lobbying efforts when the legislature goes into session. He was offered a position at that time, which involved a substantial pay increase, adding, "plus the title was pretty good," so he took the position.

Mr. Archer said that he had an interview when he initially was going to be working in the mortgage section with Tom Chenal at the AGO, and then when Doug Nick's position became available, when Nick left for the Department of Corrections, he met with Mr. Horne, who, in Mr. Archer's words, "liked what he had to say," and brought him into an executive position "at the advice of Brett (Mecum)." Mr. Archer explained that Doug Nick was the Federal Liaison, part of the policy team, and helped with videography.

Mr. Archer acknowledged that he had talked to Tom Horne before starting work at the Attorney General's Office. Mr. Archer advised that he had met Mr. Horne sometime in July or August 2013 at Rock Products, and as Archer put it, "we just went over some stuff about his campaign." At the time, according to Mr. Archer, he was not interviewing for a job. Reportedly, Mr. Horne wanted an email vendor, which Mr. Archer was going to recommend, and there was also a conversation about the website. The conversation at Rock Products with Mr. Horne was indeed campaign-related, and he had met with Mr. Horne as "just kind of a favor." Mr. Archer acknowledged that Brett Mecum had asked Mr. Archer to meet with Mr. Horne. When asked in the MCAO interview how Mr. Mecum had facilitated the meeting with Mr. Horne, Mr. Archer's response was as follows.

He just wanted me to come over and he just said, hey Tom wants to do some email stuff and I know you're good with emails, so he wanted to get some advice on it, so I just met with him for that.

Mr. Archer said that he began working for the Attorney General's Office approximately two months after this meeting with Mr. Horne.

When asked what he did as the State and Federal Relations Policy Analyst, his working title at the AGO, Mr. Archer indicated he did what his predecessor, Doug Nick, had done, and in the first part of the year he did "a lot of videography," all "official" (unrelated to the campaign), a considerable diversion from the types of duties his working job title would imply. He described as follows what he did after the legislature went into session.

And then when the legislature went into session I joined the legislative team with Art and Brett to go monitor committee meetings, it was like 11 - 14 legislative policy proposals that we had running through the house at the time.

As set forth in the transcript of the interview of Mr. Archer by Mark Stribling (Exhibit 32), Mr. Archer acknowledged participating in a meeting that took place in Mr. Archer's office, relating to the a fundraiser where Ken Cuccinelli was to be appearing, and that he participated in short campaign related meetings on occasions. He also acknowledges that, at home, he verified signatures that Ms. Dugan had obtained on Mr. Horne's petitions, using a voter file that he was updating at home. He acknowledged that Ms. Dugan would take "like 30 seconds" and ask him about the status of these efforts, and he would tell her that he would get it done as soon as he could. He acknowledged that these were questions about campaign-related matters, but the conversations were extremely short, in Mr. Archer's words, "quite literally 30 seconds." Mr. Archer also acknowledges that he did some sorting of Mr. Horne's campaign donor lists, but that he did this work at home. Mr. Archer had also been asked to revamp Mr. Horne's campaign website, and that he had done some preliminary work but had not finished it. Mr. Archer also acknowledges having discussions in the office with Sarah Beattie about fundraising.

Mr. Stribling asked Mr. Archer about a statement that Archer, Mecum and Beattie were all hired to work at the AG's Office, and they were gurus in campaigning (i.e., the "campaign dream team"). Mr. Archer in reply thought that this statement was "just feeding egos" (although he did

not say whose) and Mr. Mecum called Mr. Archer the “master of the dark arts,” adding that Mr. Mecum “says things like that sometimes.” When asked by Mr. Stribling what that meant, Mr. Archer, in a somewhat evasive manner, did not really answer the question, but rather said, “It means he doesn’t know what I do,” although, interestingly, Archer posted on his own Facebook page⁹ a photograph (see Exhibit 40) with a caption indicating that the Arizona Republic had referred to him as “Master of the Dark Arts.”¹⁰ This photograph was followed by commentary from Stephanie Grisham and Brett Mecum.



Share

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Comments



Garrett W. Archer 😊

September 11, 2014 at 11:56am · 2

[Manage](#)



Stephanie Grisham Hahahahahahhaaaaaaaaaaaaaa. Perfect.

September 11, 2014 at 11:56am · 1

[Manage](#)



Derek Springer Congratulations on finally finishing your necromancy certificate.

September 11, 2014 at 1:07pm

[Manage](#)



Brett Mecum What is thy bidding my master?

September 11, 2014 at 1:47pm

⁹ As of October 3, 2017, Mr. Archer, according to his Facebook page, was employed as the Assistant Director of Elections: Information Systems at the Office of the Arizona Secretary of State.

¹⁰ In the political realm, “Master of the Dark Arts” is often associated with opposition research, which sometimes entails finding negatives on opponents. Curiously, when Mr. Horne was asked what “Master of the Dark Arts” meant, he said that he did not know, stating, “I haven’t the foggiest idea what that was. Again, that sounds like Brett (Mecum).” (p. 19, Horne Interview, Exhibit 31)

Mr. Horne acknowledged that Mr. Archer was hired at the recommendation of Brett Mecum, although Mr. Horne denied that he had any advance knowledge from Mr. Mecum that Mr. Archer could assist with the campaign. This comment would tend to contradict Mr. Archer's account about how he first met with Mr. Horne, several months before he was hired, as a "favor" to Mr. Horne. Mr. Horne felt that Mr. Archer, having worked for several years for a congressman, would be an ideal Federal Liaison, although it should be noted that Mr. Archer said that he worked in Constituent Services for Rep. Schweikert.

As to the circumstances surrounding his resignation at the AGO, Mr. Archer claimed that about a week before Sarah Beattie's disclosure to the press, he talked first with Margaret Dugan, then with Mr. Horne, and advised he did not have time to do any of the "stuff you're asking me to do anymore," and would not have the time in the future. Subsequently, Mr. Horne came in and asked Mr. Archer about it, and Archer told Mr. Horne that he did not have the time to work on the campaign website, which Mr. Horne had wanted Mr. Archer to revamp. Mr. Horne said that he was "totally fine" with that but did ask Mr. Archer to provide information to another consultant who would work on the website.

At that point in this conversation with Mr. Horne, Mr. Archer told Mr. Horne that he (Archer) was an expert at ballot chasing and statistics for early balloting in Arizona, which can only be done in August and October, and that would be his biggest contribution that he could make. Mr. Archer's further description in the MCAO interview was as follows.

And so I told him, I said Tom, just so you know, I cannot continue working here and do what I have to do for ballot chasing because ballot chasing is a 4, 5 or 6 hour a day process and I can't do this here and do the ballot chasing at home because I need to get the ballot chasing done early in order for it to be effective. So, I said, I would have to take a leave of absence or you would have to put me on campaign staff. And he said you can always take a leave of absence. At that point I said, you know, that's OK, but at that point I started working with my other contacts to create contracts that would be enough to supplement, not supplement, but to actually replace my income at that point so I could do the ballot chasing full time because I needed the time to do it. Plus at that point I had already made up my decision, or made up my mind that Tom was pretty much fighting a losing battle whether it be in the primary or the general. And since I have a baby coming in like 2 weeks I wanted to make sure that whatever happened I would have more time to look for a job or find some stability before.

Mr. Archer went on to note that he knew that if Mr. Horne lost the election, Archer would lose his job, adding, "because as you know, it's people in my industry if your boss loses then you're out of a job."

Mr. Horne acknowledged that there was, in the financial records of the campaign, record of a payment to Archway Strategic Communications (Garrett Archer's company) in the amount of

\$700.¹¹ This payment is shown in Exhibit 37. Mr. Horne thought that this was for robocalls, and when told that the description in the campaign literature was for website/graphic design/email server development, Mr. Horne's response was, "I don't remember that." (p. 54, Exhibit 31) Mr. Horne acknowledged having previously asserted in the interview that Mr. Archer was going to be doing this work as a volunteer, then said he could not do it, and that was when Mr. Horne got Mr. Hood involved to finish the project, which was redoing the campaign website. Mr. Horne added that he did not remember for what Mr. Archer had been paid.

In summary, while both Mr. Horne and Mr. Archer made what appears to have been considerable effort in the interviews to claim that Mr. Archer did not do any substantive campaign work on State time, the preponderance of evidence suggests that this is not the case, and that he did at times engage in significant campaign work. As discussed in Allegation B, it was also apparent that Mr. Horne was aware of Mr. Archer's campaign expertise and experience, and his campaign had paid Mr. Archer for consultant services on September 2, 2013 (campaign report found under Exhibit 37) after Mr. Archer applied for AGO employment on August 15, 2013 and before Mr. Archer first day of employment with the AGO, September 23, 2013 (see Archer employment records under Exhibit 13). The campaign reports do not reflect that the Horne campaign paid Archer's business for consultant services after Mr. Archer became an employee of the AGO. There is also significant evidence that Mr. Archer was hired by the AGO at least in part due to his political/campaigning acumen.

26. Issue: Overall Review of the Email Record (Beattie's personal email account) and participation of AGO employees in campaign-related emails.

Investigative Findings, Issue 26

We were provided with access to Sarah Beattie's email account, sarahbeattie88@gmail.com, and created screen prints of the emails listed in her Inbox and Sent folders for the time frame from July/August 2013 to April 2014. The Inbox email screen prints are provided herewith as Exhibit 18, while the Sent emails screen prints are provided as Exhibit 19.

After identifying the universe of emails found on Ms. Beattie's gmail account, we began the process of identifying those emails that appeared to have some relation to the 2014 Horne Campaign, and created a table constituting a Master List of these emails sorted chronologically, which is provided herewith as Exhibit 20. We found a vast number of sent emails in the period from August 2013 through April 2014 on Ms. Beattie's email account relating to the 2014 Horne Campaign in which Ms. Beattie would have been the Sender or Receiver.

It should be noted that, because some emails did not contain clear references to the 2014 Horne campaign, but could still have been related to the campaign, the Master List created does not necessarily include all emails on Ms. Beattie's gmail account relating the 2014 Horne campaign.

¹¹ A review of Mr. Horne's 2014 Campaign Finance Reports (Exhibit 36), and particularly Report ID 121688 (Exhibit 37), filed September 25, 2014 covering the period from November 27, 2012 to December 31, 2013, revealed that on September 2, 2013, the campaign paid Archway Strategic Communications, LLC, the amount of \$700.

We do not warrant that the Master List contains all emails on Ms. Beattie's account relating to the 2014 Horne campaign.

Further, the possibility exists that some campaign-related emails were deleted, prior to the time that we obtained access to Ms. Beattie's email account. For example, Clean Elections produced a series of emails, e.g., the "Facebook Milestone" email string of March 25-26, 2014 (Exhibit 21), which were not found by the investigators on Ms. Beattie's email account at the time of our research of her emails, and are not listed in the screen prints of the lists of emails in her Inbox and Sent emails. The deleted email folder was empty at the time of our access and review of the gmail account.

Of the campaign related emails found on Ms. Beattie's gmail account, we sorted the emails by Sender ("From"), and created sub-tables setting forth the number of emails sent by each person (Exhibit 22), irrespective of when the emails were sent and whether the employees were on duty. This list contains a host of senders who were not AGO employees. The campaign related emails have been scanned, and are provided in two folders, a Sent folder (Exhibit 23, containing Beattie Emails S001 to S161) and an Inbox folder (Exhibit 24, containing Beattie Emails I001 to I322).

We did not sort the emails by Receiver ("To") because, for example, the mere receipt of an email during business hours does not mean that the email was actually read during business hours. There was no forensic means for us to determine when individuals opened campaign related emails they received, other than by possibly drawing inferences if there were replies.

Finally, we prepared a table (Exhibit 25) reflecting the emails sent by persons specifically associated with the Horne 2014 core campaign team. Apart from calculating, based on solely the gmail account of Ms. Beattie, the total number of campaign related emails sent from various persons associated with the 2014 Horne campaign, we endeavored to determine, for selected core campaign team members:

- (a) the total number of sent campaign related emails, irrespective of time of day or whether they were on duty;
- (b) the number of campaign related emails that were sent during what is typically normal business hours, 8:00 a.m. to 5:00 p.m., excepting lunch, from 12:00 p.m. to 1:00 p.m., on work days (Monday to Friday), when the employees were working, according to their time sheets; and
- (c) the number of emails sent at times other than normal business hours, or during normal business hours when the employees were not working, according to their timesheets.

The investigators considered this to be the fairest approach to assessing what campaign related emails were sent by selected core campaign team members during a typical workday. It would have been virtually impossible to actually interface the timing of sent emails with work schedules, insofar as there are no documents reflecting when core campaign team members actually started work, ended work, took a lunch break, or took breaks on any given day. It has

been assumed, for the purposes of this analysis, that typically, persons will be working during the hours the AGO was open, from 8:00 a.m. to 5:00 p.m. on State time, and will take an hour lunch.

We were advised that, after Sarah Beattie started working in Constituent Services, her hours changed from 7:00 a.m. to 3:00 p.m., or 7:30 a.m. to 3:30 p.m., or there was other variability in her work attendance, so it is possible that at least some emails for her sent emails in this study, e.g., between 7:00 a.m. and 8:00 a.m. would not be included in the list of emails sent during “normal business hours.”

Employee	Total sent campaign-related emails	Emails sent during working hours (0800 to 1700, except 1200 to 1300 hours) when employee was working	Emails sent in other than normal working hours or during normal business hours but the employee was not working.
Archer, Garrett	29	16	13
Beattie, Sarah	426	239	187
Dugan, Margaret	6	3	3
Grisham, Stephanie	19	11	8
Horne, Tom	46	23	23
Martinez, Adria	14	14	0
Mecum, Brett	40	28	12
Scordato, Debra	125	83	42
Winn, Kathleen	14	9	5
TOTALS	719	426	293

Keep in mind that the email list, and statistics calculated from the list, are not drawn from all of the private accounts of the employees at issue, but only the private email account of one employee, Sarah Beattie, and as such, the number of emails involving Ms. Beattie, which were identified in this study, is significantly greater than other core campaign team members. We know of emails sent by other core campaign team members only to the extent that Sarah Beattie received them on her personal email account. It is reasonable to draw the inference that, if we were to have had access to the private email accounts of other core campaign team members, the number of campaign-related emails they sent would have been significantly larger than listed in the foregoing for virtually all of these individuals. In other words, it is reasonable to infer that these individuals sent campaign related emails to other persons and did not copy Ms. Beattie.

Notwithstanding these caveats, the number of emails sent by AGO employees associated with the 2014 Horne campaign, during normal business hours, is significant and not de minimus, as Mr. Horne has claimed, and suggests further that significant campaign work was taking place during normal business hours. It is fair and reasonable to assert that, in connection with the campaign, based on solely on information gleaned from Ms. Beattie’s private email account, 426 emails sent during normal business hours is significant. Again, it is reasonable to assume that a fraction of the campaign-related emails were disclosed during this investigation. It is also evident that, of the campaign-related emails sent by Ms. Beattie, as well as by persons other than Ms. Beattie, the majority of them were sent during normal working hours.

It was evident during the interview of Mr. Horne that when a campaign email sent during working hours was discussed, he tended to assert that the email must have been sent during someone's "break" or lunch hour, or before or after work, after the employee had adjusted his or her schedule. He also mentioned this in passages of the Horne Responses. However, using this logic, after the fact any exempt employee could say they were on "break" at any time during the working day. The type of activity to which Mr. Horne alludes (actually keeping track of hours and minutes doing AGO work and hours and minutes engaging in campaign or personnel activities) requires considerable discipline, and ignores a broader pattern of significant email communications relating to the campaign during working hours. The email record generated from review of Ms. Beattie's gmail account suggests that the number of emails sent relating to the 2014 campaign during normal business hours is the proverbial "tip of the iceberg."

Mr. Horne has also taken the basic position, in an attempt support his contention that campaign related emails during the work day at the AGO was de minimus, that many of the emails were short, and it would take only a very short time to create and send, or receive and review, such emails. This is to a degree true. However, studies show that the amount of time spent by employees checking and handling their work and personal email is significant. The time spent is not just in the reading or responding to personal emails, but also the time spent in distraction from regular work tasks while checking one's work or personal email at work. Gloria Mark, Professor of Infomatics at the University of California Irvine, in a fastcompany.com interview¹² relating to her study, entitled, "The Cost of Interrupted work: More Speed and Stress,"¹³ described the effects of work interruptions.

When is interruption counterproductive?

It's generally counterproductive if you're working on one task and you're interrupted on a completely different topic. People have to shift their cognitive resources, or attentional resources, to a completely different topic. You have to completely shift your thinking, it takes you a while to get into it and it takes you a while to get back and remember where you were.

How long does it take people to get back on task?

¹² <https://www.fastcompany.com/944128/worker-interrupted-cost-task-switching>. See Exhibit 38.

¹³ This study is found in Exhibit 38, a collection of articles and papers relating to the time spent in the workplace, according to studies, managing emails and dealing with work interruptions. Also of interest is a 2015 Study by Adobe Systems, which reads in part as follows.

The Adobe Campaign (<http://www.adobe.com/marketing-cloud/campaign-management.html>) team recently surveyed more than 400 US-based white collar workers, 18 and older, about their use of email; and the findings challenge conventional views of email as a tired, over-saturated medium for engaging consumers.... We found that Americans are practically addicted to email, checking it around the clock no matter where they are or what they're doing. In fact, more than half of millennials check email from the bathroom! On average, survey respondents report using email six hours a day, or 30+ hours a week. Nine of 10 respondents say they check personal email at work and work email from home... <http://blogs.adobe.com/conversations/2015/08/email.html>.

We found about 82 percent of all interrupted work is resumed on the same day. But here's the bad news — it takes an average of 23 minutes and 15 seconds to get back to the task.

27. Issue: Campaign Finance Reporting; Rock Products

Investigative Findings, Issue 27

The only reference to Rock Products in any campaign reports filed by the Horne 2014 campaign in 2013 or 2014 was a \$100 cash payment on 4/12/13 for “Use of Space and Phone.” There was no record of an in-kind contribution by Rock Products, such as free rent at the facility, which was reportedly used as the campaign headquarters of the Horne 2014 campaign.

Repeatedly, Mr. Horne asserted in the interview, which was backed up by others, including Steve Trussell, that the office of Rock Products was used on “many” occasions, even though Mr. Horne in the interview did not seem interested in quantifying the number of occasions, other than to say there were more than two meetings a month.

Mr. Trussell’s statement, which is an attachment to the initial Horne response, reflects that, “They (campaign volunteers) have met here many times at lunch time or after work. Tom Horne has come here many times to make phone calls, and on a few occasions in the late afternoon, Sarah Beattie came with him, to make notes regarding his phone calls.”

Mr. Horne indicated that there had never been a lease between the 2014 campaign and Rock Products for use of the facilities by the campaign. Rock Products had not been used in any prior campaigns. When asked about the circumstances resulting in the use of Rock Products to have campaign meetings in the 2014 campaign, Mr. Horne explained that initially they had used the law offices of Burch & Cracchiolo to make campaign calls, but this location was inconvenient. Brett Mecum, the same individual who recommended Ms. Beattie and Mr. Archer to Mr. Horne for AGO employment, knew Steve Trussell and suggested that Rock Products would want to help Mr. Horne, and Mr. Horne was delighted, because the location of Rock Products was more convenient and closer to the AGO.

When asked about the arrangements that were made with Steve Trussell to use Rock Products, Mr. Horne said that he paid Rock Products \$100, and reported it as such on the campaign reports. As to the amount, \$100, Mr. Horne claimed that he talked to Mr. Trussell about the amount, and whether he should pay more, and Trussell said that he talked to the Board about it, and they were satisfied, because the offices could only be used by the campaign when they were open, and the campaign was not entitled to any particular space at Rock Products. According to Mr. Horne, typically they used a conference room, but if the conference room was unavailable, there were other rooms or offices that were used.

The preponderance of evidence indicates that the Horne 2014 campaign paid \$100 to Rock Products for use of the facility and phones for campaign meetings. While the precise number of meetings held there was not determined, Mr. Trussell, the Executive Director, indicated that

many campaign meetings were held there, and Mr. Horne also visited Rock Products for the purpose of making calls to donors, sometimes in the presence of Ms. Beattie.

28. Issue: Alleged crying fit of Sarah Beattie on April 8, 2014.

Investigative Findings, Issue 28

Insofar as this issue figures prominently in the Horne Responses and statements attached thereto claiming that Ms. Beattie (and other EXO employees) were not engaging in campaign work while on State time, there was investigative inquiry concerning the details.

The main thrust of the Horne Responses and the statements was that, during the course of the meeting on 4/8/14, Ms. Beattie was upset that she was not permitted to do campaign work on State time, she was being “watched like a hawk” to make sure that she was not doing campaign work on State time, and she was unable to get her campaign work done.

Mr. Beattie’s position is slightly different, basically claiming that she was upset that others were not getting their part of the campaign work done, but were rather leaving the office early, not that they were so busy with AGO work that they could not get their campaign work done. Ms. Beattie’s account of the meeting was as follows.

SB: The whole staff was at that meeting. And that was one of the weeks where they had cracked down, but that was also the week that you’re holding the hand printed thing where I was expected to get all the fundraisers done and I wasn’t crying because only my time, or because my time was being watched, but I was saying because my hours cut were being FOIAed by the press, I was the only one honoring the 8-hour system and taking leave without pay at that point because I had gotten a little paranoid and then what had happened was Art Harding, Stephanie and Adria all got very upset with me because they thought I’d thrown them under the bus for cutting out of work early, etc., etc., and they actually, Art didn’t speak to me for about two days after that because they felt I was tattling, that nobody was honoring the system except for me, and I will one hundred percent stand by that because that’s not what happened at all, and anybody who looks at that overwhelming list of fundraisings I had to plan, that’s why I was crying. And I didn’t understand why all the other workers could come and go as they wanted, and I was the only one being diligent or trying to be diligent and taking pay cuts that I didn’t have to take. I filled out my time cards. I’m the one that put all of that in there. (p. 32, Exhibit 26)

Ms. Beattie went on to clarify that she was upset at the meeting, because she was extremely overwhelmed with the handling of the fundraisers. Ms. Beattie claims that her supervisor, Adria Martinez, even told her that they needed to cut back on her (Sarah’s) official work. Ms. Beattie claimed that campaigning is a full-time job, and it was difficult enough to do it on top of what “little [official] work” she had to do at the office. Ms. Beattie went on to claim that all the persons present were upset with her, because she had thrown them “under the bus” for saying

that none of them were there for eight hours a day, and she was the only one working diligently. She indicated a number of employees tended to “skip out” and go to a bar called The Turf in downtown Phoenix. Ms. Beattie explained that her issue was that staff was not around to help with campaign issues, first, and second, that staff was not around to do the work of the AGO. She felt that she was the only one whose pay was being reduced when she did not put in a full eight hour day, because she was working on campaign tasks. She claimed that she was trying to be honest about her hours.

In summary, Ms. Beattie does not deny that, at times, she was instructed not to do campaign work on State time, but at other times she did what Mr. Horne asked her to do, which included sitting in on his calls to donors. Her position is that the greater issue at the time was that she was feeling overwhelmed because she felt she was not getting assistance with the campaign effort. It was not just Ms. Beattie who felt this way. As discussed earlier, under Factual Issue 20, an extensive series of emails was exchanged among core campaign team members about how the campaign work was not getting done. What follows are excerpts from this email string.

Date / Time	Sender / Recipients	Subject / Text of Body
03/25/14 13:57	From: Grisham To: Horne, Dugan, Weitzner, Mecum, Archer, Beattie, Scordato	Re: Facebook Milestone. Hi all, I've been working hard on Fbook every day and am pleased to tell you we reached 6,000 Likes today. If you'll notice, I have been really conversational and engaging of our Facebook family - this is what we should be doing in all aspects of the campaign. Tom as a person is easier to vote for than Tom the Attorney. We need to be talking to people, thanking people, giving people credit, etc.
03/25/14 14:14	From: Beattie To: Grisham Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato	Re: Facebook Milestone. Thank you for doing all that you do. I've noticed a severe lack of campaign enthusiasm and productivity. Do you have any ideas to get some of our efforts back on track? Brnovich is really gaining traction
03/25/14 14:53	From: Scordato To: Grisham Cc: Horne, Dugan, Weitzner, Mecum, Archer, Beattie	Re: Facebook Milestone. You, my dear, are an asset. Great work as usual.
03/25/14 17:47	From: Dugan To: Grisham Cc: Horne Weitzner, Mecum, Archer, Beattie, Scordato	Re: Facebook Milestone. Looks great! You do awesome work!!!
03/25/14 21:33	From: Grisham To: Beattie Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato	EXCERPT Re: Facebook Milestone. Thanks Sarah, couldn't agree more. As a campaign of just "volunteers", we are very clearly doing things last minute with not much of a strategy, and making some amateur mistakes. It's too bad too, because this is one hell of a group of talent. Brnovich is a lightweight, but he sure looks like he is criss-crossing the state, making announcements, weighing in on things and gaining some momentum. I don't want to even acknowledge him, but the fact remains he seems to be doing at least better, and is certainly getting more aggressive in his speaking engagements. And Rotellini's camp is already very impressive and organized....

		Signatures are certainly a huge part of all this and kudos to Margaret and everyone else who has been working on that aspect, but honestly the primary is a few short months away and the campaign is falling apart (in my opinion). Morale is low, clear direction is non-existent...
03/25/14 21:47	From: Beattie To: Grisham Cc: Horne, Dugan, Weitzner, Mecum, Archer, Scordato	EXCERPT Re: Facebook Milestone. Here are my comments to Stephanie's points. If I do not handle the area I marked it "NA". I would appreciate responses from everyone and suggestions. Fundraising- WE NEED A FINANCE COMMITTEE. This takes time and doesn't raise money initially but we need to have a finance committee with a monthly phone in call. This will help us long term. In addition as I suggested when limits went back up I would like to go through and call everyone who gave \$912 and encourage them to meet the new max. Also, I would like to organize some projects that got dropped such as "Lawyers for Horne". I know Cantelme was willing to help months ago, Brnovich will be rolling out his Lawyer coalition shortly. Any other coalition ideas are accepted. My call time is limited. I am considered hourly so I have to be there 8 hours a day and I can be off at three however I can prepare things in advance but others who do not have hourly restrictions can also help out with keeping call time on track....
03/25/14 22:10	From: Beattie To: Martinez	Re: Facebook Milestone. So when everyone's pissed at Stephanie and I tomorrow here's why: forwarded message from Grisham with Sarah's input on Grisham's bullet points pertaining to the campaign.
03/25/14 23:57	From: Scordato To: Grisham Cc: Beattie, Horne, Dugan, Weitzner, Mecum, Archer	Re: Facebook Milestone. Steph, I couldn't agree with you more. Especially moral being in the gutter. No one has the ambition or the fire in their belly to get out there and do 'their' part. It's just a certain few that are saying and doing. That doesn't win an election and we can't keep tip toeing around the bigger picture here. Tom is in a Primary. We have to be smarter than Brnovich and be a step ahead at all times. Not happening. Tom is doing a great job as AG and the state and the people of Arizona need him for another 4 years. We do need a clear direction and to-do lists that are getting done and not just talked about. Maybe it's time to figure out who wants to totally work this campaign and go at it strong and those who don't. Because if you don't, just back out so the rest of us can pull it together.
03/26/14 04:51	From: Horne To: Scordato Cc: Grisham, Beattie, Dugan, Weitzner, Mecum, Archer	Re: Facebook Milestone. We need to meet as soon as possible and get these things straightened out. Please let Debra know about time conflicts and she will schedule a meeting at Rock Products today, or if that's really impossible, tomorrow latest. Save any further negative comments for the meeting. Written comments sometimes end up in bad places. In response to chain email.

Ms. Beattie readily admits that, in the time frame in question, she was attempting to get campaign work done on other than State time, hence she had adjusted her schedule. However, from her standpoint, the more significant issue is that not only were some core campaign

members not doing their part for the campaign, they were leaving the office early and not putting in time at the AGO on official business.

While there are certainly some elements of contradiction in Ms. Beattie's position, these contradictions appear to arise in part because the rules of the road for her, as an hourly employee, were more strongly stated toward the end of her employment, whereas in other periods of employment, after she left the supervision of Ms. Winn, the rules were not followed. Ms. Beattie also suggested that there was a correlation between public records requests from the media, in this time frame, for records relating to employee hours.

The investigators asked the AGO for all public records requests for employee timesheets or other personnel information for the persons in the AGO EXO associated with the Horne campaign from 1/1/14 to 4/30/14. What was produced by the AGO reflects that all such public records were requests were filed on or after April 7, 2014.

29. Issue: Secondary Employment Forms of Sarah Beattie and other AGO EXO employees.

Investigative Findings, Issue 29

Brett Mecum. According to documentation produced by the AGO, before Ms. Beattie's complaint was filed and discussed in the media beginning in May 2014, Brett Mecum had not filed any Notification of Secondary Employment forms, except one on 2/1/13, when he said that he did not have any secondary employment. After the submittal of Ms. Beattie's complaint, on or about May 12, 2014, Mr. Mecum submitted a series of Notifications, two on June 16, 2014 (Wake Up America and DavePAC) and three on October 7, 2014 (PaulPAC, Beachbody and Arizona Rock Products Association PAC).¹⁴

Garrett Archer. AGO documentation reflects that Garrett Archer submitted a Notification on September 23, 2013 for Archway Strategic Communications (his consulting business), a Notification on 4/1/14¹⁵ that his outside employer was Archway Strategic Communications, and an email on 4/1/14 asserting that "clients" he worked with included Summit Consulting Group (the political consulting business of Chad Willems), Blue Point Consulting Group, Schweikert for Congress (campaign committee) and Arizona Research Project (a nonprofit involving aspiring politician Christina Jones). It would appear that Mr. Archer was attempting to make clear his work for campaign/political businesses, noting, "None of these contracts are in Governmental affairs, they are all based on data processing." Mr. Archer was employed by the AGO as the Governmental Affairs Liaison.

Sarah Beattie. Ms. Beattie submitted the following Notifications.

¹⁴ The 2014 Horne campaign used the offices of Arizona Rock Projects for campaign meetings.

¹⁵ On this date, a Core Campaign meeting was held, with Mr. Archer in attendance, and various problems and issues with the campaign were discussed, as set forth in detail elsewhere in this report.

- 9/4/13, Barry Goldwater, Jr., Accounting, 5 hours on Thursdays and from 9:00 a.m. to 1:00 p.m. on Saturdays
- 2/25/14, Kwasman for Congress, Consulting/Fundraising, no hours or time specified.
- 3/24/14, Sheriff Paul State and Federal PAC, Fundraiser 4/9/14, 4 hours
- 4/7/14, Tom Horne for AG, Supervisor: Margaret Dugan, assisting with fundraising, 2 hours Monday through Saturdays. Notably, this form was not signed by any supervisors.
- 4/7/14, Tom Horne for AG, Supervisor: Margaret Dugan, 9/13 TO 4/7/14 dates of “employment” (crossed out and replaced with “volunteer”), 2 hours Monday through Friday, from 3:00 to 5:00 p.m. added. This form was signed by Adria Martinez and Margaret Dugan on 4/9/14 and 4/10/14, respectively.¹⁶

Ms. Beattie claimed in the supplemental interview that the first three Notifications were relating to paid work for Mr. Goldwater and two campaigns. As to the April 7, 2014 Notification, Ms. Beattie commented that she submitted this upon learning that a records request had been submitted by the Capitol Times for her timesheets. She denied having spoken with the Capitol Times prior to this records request, or knowing on what information the request was made.

According to Ms. Beattie, she did not receive compensation from campaign funds for her work on Mr. Horne’s campaign. Ms. Beattie indicated that Margaret Dugan did not believe that it was necessary for Ms. Beattie to submit the April 7, 2014 Notification, and it was Ms. Dugan who had crossed out “Employment” and wrote in “Volunteer.” Ms. Beattie indicated that she had inserted the hours (after 3:00 p.m.) because this was what she was “saying” about her work at the AGO in this time frame. She doesn’t deny that she tried to adhere to this schedule, but claims that this was only for a matter of weeks before she resigned.

Emails from Ms. Beattie reflects that she withdrew from active participation in the campaign on April 8, 2014 and submitted an email of resignation on April 21, 2014. It would appear that the Public Records Request from the Capitol Times for her timesheets had a profound effect on Ms. Beattie’s concern about continuing involvement in the Horne campaign.

30. Issue: Background / Credibility of Sarah Beattie.

Investigative Findings, Issue 30

In the Horne Responses, as reflected in the discussion of Factual Issue 30 in the Compilation of Investigative Data (Appendix A), extensive information is provided relating to Ms. Beattie’s issues with credibility and background. Ms. Beattie was questioned as part of this investigation about a number of the issues presented in this regard in the Horne Responses.

¹⁶ This is the same form as the prior form dated 4/7/14, with the same handwriting, which appears to have been amended or altered as set forth.

A central question is what Ms. Beattie had to gain by making the complaint to the Secretary of State. Mr. Horne suggested that Ms. Beattie was looking for a financial windfall from making an employment claim of some type against the State, but if so, this never materialized, and in our discussions with Ms. Beattie, there was never a hint that this was her intention.

Mr. Horne claims further that Ms. Beattie came under the “influence” of attorneys Thomas Ryan and Kory Langhofer. When asked about this, Mr. Beattie’s response was as follows.

SB: Kory has been a close personal friend since I worked for Corinne Lovas and he’s always given me career advice and legal advice and, he was just kind of like when you have a doctor friend you go to with stuff going on you ask once. I mean, it was nothing more than that. And Kory, the only discussion we ever had before me quitting was I called him and asked him to host a fundraiser for Horne and he laughed at me but, I mean, I wasn’t at fault in that. I don’t have any sort of motive. I lost everything since this started. I have lost my job, my boyfriend and I moved out, I had to get a new apartment. I’m starting school with no job. I mean, there’s absolutely no motive for me here. (p. 73, Exhibit 26)

Motives are, of course, a two way street, and there clearly are motivations, for the persons who have been accused by Ms. Beattie of wrongdoing, to deny the allegations. Some of the negative consequences that could accrue to persons who have been found in violation of law or even inappropriate conduct could include criminal prosecution, fines, publicity that could jeopardize career advancement, particularly in politics and state government, and stigmatization in the community. However, from the standpoint of credibility, the motive to protect one’s own self-interest, by denying the allegations that might be true, appears to be as strong in this set of circumstances as any self-interested motives on the part of Ms. Beattie to make untrue allegations. As noted above, Ms. Beattie claims that she had no self-interested motives, and she claims that her career and life have suffered to some degree. Ms. Beattie could have simply walked away from AGO employment, without having been subjected to negative commentary about her background and credibility, but chose instead to bring the allegations forward.

One of the more interesting attacks by Mr. Horne about Ms. Beattie’s motivations has to do with the claim that Ms. Beattie had, in his view, “stolen” his “Border Patrol” binder, containing his lists of campaign donors and notes about conversations with those donors, several months prior, and that the complaint to the Secretary of State was a means of deflecting responsibility for having taken control of the donor lists. He also claims having received information, in the months before she left, that Ms. Beattie was in contact with Kory Langhofer, who Mr. Horne claims was, with Thomas Ryan, behind a dark money ad campaign that Mr. Horne characterized as an “outright lie,” and which resulted in Mr. Horne filing a libel suit.

In summary, while Mr. Horne brought forth issues relating to Ms. Beattie’s background credibility, many of the issues cited were at best peripheral to the primary issue of her motivations for making the complaint to the SOS. Further, Mr. Horne did not provide compelling reasons to believe that Ms. Beattie purposely fabricated the information contained in her Affidavit out of self-interested motives. The evidence suggests that Ms. Beattie had nothing to

gain, whether personally, financially, or in terms of career advancement, by complaining about the conduct of Mr. Horne.

IV. INVESTIGATIVE FINDINGS Re: ALLEGATIONS

The following findings were derived, based on a preponderance of evidence, relating to the various allegations of possible misconduct or violation of statutes or policy.

The investigation revealed two overarching factual patterns that impact the evidence collected in the investigation. First, Mr. Horne's Core Campaign Team for the 2014 Re-Election Campaign, as set forth in an August 21, 2013 list, was virtually comprised of his Executive Office Staff at the AGO. Second, there were three individuals who had an extensive history of functioning as political or campaign consultants or operatives, not as employees of the State or any other political jurisdiction; and who came to be employed by the AGO in 2013.

Commonality between AGO EXO Staff and Horne 2014 Core Campaign Team

What follows is a table setting forth the persons employed by the AGO EXO who were also members of the 2014 Horne core campaign team.

	AGO Position	Campaign Team Role
Tom Horne	Attorney General	Candidate for Re-Election; Horne 2014 Campaign Committee Treasurer
Margaret Dugan	Chief of Staff	Campaign Manager
Kathleen Winn	Director of Outreach and Education	Field Director
Garrett Archer	State & Federal Relations / Policy Analyst	Campaign Analyst
Stephanie Grisham	Press Secretary	Communications Director
Adria Martinez	Constituent Services Manager	New Media Coordinator
Art Harding	Director of Legislative Affairs	Political Director
Brett Mecum	Executive Consultant	Campaign Strategist
Deborah Scordato	Administrative Services Officer II	Finance Coordinator
Sarah Beattie	Administrative Assistant III	Fundraising and Events Coordinator

The following AGO Executive Office (EXO) personnel reportedly were not involved in any substantive way in the Horne 2014 campaign.

	AGO Position
Rick Bistrow	Chief Deputy Attorney General
Sharon Collins	Director for Greater Arizona
Patti Carl	Executive Staff Assistant
Krystal Gonzalez	Administrative Assistant I
Linda Miller	Program Specialist II

The congruity between Mr. Horne's executive staff at the AGO and his 2014 core campaign team is not only remarkable, but created conditions in which the employees / campaign workers involved were subject to mixed purposes and loyalties.

- The core campaign staff owed their jobs at the AGO to Mr. Horne, and their continued employment with the AGO was conditioned upon Mr. Horne prevailing in his 2014 re-election. This provided an incentive to the employees to further the success of Mr. Horne's campaign. So far as is known, very few of the employees continued working for the AGO after Mr. Horne's defeat in the August 2014 primary election, but rather sought employment elsewhere in or outside of State government. In his interview by MCAO, Mr. Archer commented that he knew that if Mr. Horne lost the election, he would lose his job, adding, "because as you know, it's people in my industry if your boss loses then you're out of a job."¹⁷
- There would be a natural tendency, with executive staff and core campaign staff working side by side, for campaign work to seep into the AGO work load and work time of employees. While several EXO staff members, as well as Mr. Horne, claimed that there was a "wall" between AGO work and campaign work, the evidence indicates that the wall was porous at best, given the prevalence of campaign related meetings, emails, and communications that took place in the EXO during normal working hours.

Hiring of Political or Campaign Operatives or Consultants at the AGO

The totality of the evidence reflects that, initially, Brett Mecum, who was later identified as the Political Strategist for the Horne 2014 campaign, was hired as a Legislative Liaison at the AGO in February of 2013. Thereafter, based in part on Mr. Mecum's recommendation, Mr. Horne decided to hire Sarah Beattie, Mr. Mecum's roommate at the time, for the position of Executive Assistant III at the AGO, and she held the position of Fundraising and Events Coordinator in Mr. Horne's 2014 campaign. Finally, in September of 2013, again at the recommendation of Brett Mecum, Mr. Horne decided to hire Garrett Archer, as Federal Legislative Liaison, and Mr. Archer was assigned the position of Campaign Analyst in the Horne 2014 campaign.

As discussed under Allegation B, the evidence suggests that they were hired at the AGO at least in part because of their reported campaigning acumen and experience.

Investigative Findings relating to the Allegations

- A. Were employees of the Arizona Office of the Attorney General performing work or tasks, toward furtherance of Tom Horne's 2014 re-election campaign, on State time or using State resources, in violation of provisions of Title 41 and Title 16, and if so, did Mr. Horne condone, authorize and facilitate these violations?**

¹⁷ This comment perhaps tells more about the situation, at least from Mr. Archer's perspective, than the mere fact that continuing employment is conditioned upon the elected official prevailing in the next election. Ms. Archer's historical "industry" has been assisting with campaigns and helping candidates get elected.

Investigative Findings, Allegation A

The Reasonable Cause Memorandum, dated July 9, 2014, suggests that there were possible violations of A.R.S. Title 41.

Based on the findings relating to the Factual Issues, the preponderance of evidence reflects that various employees, including Ms. Beattie, Mr. Mecum, Mr. Archer, Ms. Scordato, Ms. Winn, and Mr. Horne himself, were engaging in campaign activities at the AGO EXO during the normal business workday. These activities largely consisted of sending campaign related emails, conferencing and communicating concerning campaign related issues, and in the case of Mr. Horne, making calls to campaign donors while on occasions Ms. Beattie was nearby.

The question is whether these activities were in violation of provisions of A.R.S. Title 41, specifically, A.R.S. § 41-752 and A.R.S. § 41-742.

Applicability of A.R.S. §§ 41-752 and 41-742, Title 41, Article 4, State Personnel System

A.R.S. § 41-752 reads in part as follows.

A. Except for expressing an opinion or pursuant to section 16-402,¹⁸ an employee shall not engage in any activities permitted by this section while on duty, while in uniform or at public expense.

B. An employee shall not:

1. Use any political endorsement in connection with any appointment to a position in the state personnel system.
2. Use or promise to use any official authority or influence for the purpose of influencing the vote or political action of any person or for any consideration.

C. An employee, a member of the state personnel board or a member of the law enforcement merit system council shall not be a member of any national, state or local committee of a political party, an officer or chairperson of a committee of a partisan political club or a candidate for nomination or election to any paid public office, shall not hold any paid, elective public office or shall not take any part in the management or affairs of any political party or in the management of any partisan or nonpartisan campaign or recall effort, except that any employee may:

1. Express an opinion.

¹⁸16-402. Absence from employment for purpose of voting; application therefor; violation; classification A. A person entitled to vote at a primary or general election held within this state may, on the day of election, absent himself for the purpose of voting from the service or employment at which he is employed if there are less than three consecutive hours between the opening of the polls and the beginning of his regular workshift or between the end of his regular workshift and the closing of the polls....

2. Attend meetings for the purpose of becoming informed concerning the candidates for public office and the political issues.
3. Cast a vote and sign nomination or recall petitions.
4. Make contributions to candidates, political parties or campaign committees contributing to candidates or advocating the election or defeat of candidates.
5. Circulate candidate nomination petitions or recall petitions.
6. Engage in activities to advocate the election or defeat of any candidate.
7. Solicit or encourage contributions to be made directly to candidates or campaign committees contributing to candidates or advocating the election or defeat of candidates.

A.R.S. § 41-752 as such sets forth political activities in which employees are prohibited from engaging, but also sets forth political activities that are permitted, so long as the activities are not performed while on duty or at public expense. A.R.S. § 41-752.A expresses that employees shall not engage in any activities permitted by the section while on duty, while in uniform or at public expense.

The activities that are “permitted by this section” are set forth in A.R.S. § 41-752.C, but cannot be done while on duty or at public expense, are as follows.

1. Express an opinion.
2. Attend meetings for the purpose of becoming informed concerning the candidates for public office and the political issues.
3. Cast a vote and sign nomination or recall petitions.
4. Make contributions to candidates, political parties or campaign committees contributing to candidates or advocating the election or defeat of candidates.
5. Circulate candidate nomination petitions or recall petitions.
6. Engage in activities to advocate the election or defeat of any candidate.
7. Solicit or encourage contributions to be made directly to candidates or campaign committees contributing to candidates or advocating the election or defeat of candidates.

As such, per A.R.S. § 41-752.C.6 and .7, what would appear to be political activity or campaigning – engaging “in activities to advocate the election or defeat of any candidate” and soliciting campaign contributions – are permitted so long as the activity is not done while on duty or at public expense.

While A.R.S. § 41-752.C.1 through C.7 permits State employees to engage in certain political activities if the activities are not performed on duty, A.R.S. § 41-752.C expressly prohibits a State employee from functioning in the following capacities.

An employee, a member of the state personnel board or a member of the law enforcement merit system council shall not be a member of any national, state or local committee of a political party, an officer or chairperson of a committee of a partisan political club or a candidate for nomination or election to any paid public

office, shall not hold any paid, elective public office or shall not take any part in the management or affairs of any political party or in the management of any partisan or nonpartisan campaign or recall effort....

The breadth of the permitted or prohibited political activity set forth in A.R.S. § 41-752 is conditioned by A.R.S. § 41-752.E, which reads:

E. Subsections B and C of this section do not apply to those employees listed in section 41-742, subsection F.

This indicates that the prohibitions set forth in Subsections B and C do not apply to specific categories of employees listed in A.R.S. § 41-742.F, which reads in part as follows.

1. Employees of the governor's office.
2. Employees of offices of elected officials who either:
 - (a) Report directly to the elected official.
 - (b) Head a primary component or report directly to the head of a primary component of the office of the elected official.
 - (c) As a primary duty, determine or publicly advocate substantive program policy for the office of the elected official.
3. The state agency head and each deputy director, or equivalent, of each state agency and employees of the state agency who report directly to either the state agency head or deputy director.
4. Each assistant director, or equivalent, of each state agency and employees in the state agency who report directly to an assistant director.
5. Attorneys in the office of the attorney general.

The group of AGO EXO employees who appear to be exempted from Sub-Sections B and C of A.R.S. § 41-752, based on our information about their titles, duties and chain of command, would appear to include the following.

- Tom Horne, Attorney General (elected official)
- Margaret Dugan, Chief of Staff (reported directly to the elected official, Tom Horne)
- Debbie Jackson, Director of Administrative Services (head of a primary component of the office, reported to Ms. Dugan)
- Kathleen Winn, Director of Outreach and Education (head of a primary component of the office, reported to Margaret Dugan)
- Garrett Archer, State & Federal Relations/Policy Analyst (reported to the head of a primary component of the office, Margaret Dugan,)
- Rick Bistrow, Chief Deputy Attorney General (reported directly to the elected official, Tom Horne)
- Stephanie Grisham, Press Secretary (reported to the head of a primary component of the office, Ms. Dugan)
- Adria Martinez, Constituent Services Manager (head of a primary component of the office, and reported to Margaret Dugan)

- Art Harding, Director of Legislative Affairs (head of a primary component of the office, reported to Margaret Dugan)
- Brett Mecum, Executive Consultant (directly reported to the head of a primary component of the office, Art Harding)
- Deborah Scordato, Administrative Services Officer II (reported directly to the elected official, Tom Horne)
- Sharon Collins, AG Director for Greater Arizona (head of a major component of the office, reported to Margaret Dugan)

If these individuals were exempted from Sub-Sections B and C of A.R.S. § 41-752, they would not be prohibited from running for office, holding office, being on a campaign committee or a member of a political party, or taking “part in the management or affairs of any political party or in the management of any partisan or nonpartisan campaign or recall effort....” (A.R.S. § 41-752C) However, they are not exempted from Sub-section A of A.R.S. § 41-752, meaning that they are still prohibited from participating in these political activities while on state time.

The employees of the AGO EXO who would not be exempted from Sub-Sections B and C of A.R.S. § 41-752, because they do not fall into the employment categories set forth in A.R.S. § 41-742.F, include the following.

- Sarah Beattie, Administrative Assistant III (reported initially to Kathleen Winn, then Adria Martinez)
- Patti Carl, Executive Staff Assistant (reported to Debra Scordato)
- Krystal Gonzalez, Administrative Assistant I (reported to Stephanie Grisham)
- Linda Miller, Program Specialist II (reported to Debra Scordato)

As such, it would appear, given that Sub-Sections B and C of A.R.S. § 41-752 would apply to Ms. Beattie, she should not have been taking “any part in the management or affairs of any political party or in the management of any partisan or nonpartisan campaign or recall effort....”

Ms. Beattie had a part in the management of Mr. Horne’s 2014 campaign – she was listed and somewhat functioned as the Fundraising and Events Coordinator – and therefore appears to have been in violation of A.R.S. § 41-752.C. Further, the evidence suggests that Mr. Horne and upper management in the EXO knew of Ms. Beattie’s role in the campaign. There is also no question that Ms. Beattie, by her own admission, was engaging in campaign activities while on duty, in violation of A.R.S. § 41-752.A.

While other core campaign staff may not have been subject to Sub-Sections B and C of A.R.S. § 41-752, they would have been subject to Sub-Section A, which, again, prohibits employees from engaging in certain permitted acts (which are set forth in Sub-Section B) while on duty or at public expense, including:

6. Engage in activities to advocate the election or defeat of any candidate.

7. Solicit or encourage contributions to be made directly to candidates or campaign committees contributing to candidates or advocating the election or defeat of candidates.

Applicability of AGO Solicitor General's Office Memorandum dated 9/5/13, Re: Limitations on Political and Campaign Activities of AGO Employees

This document¹⁹ provides the Solicitor General's Office interpretation of the foregoing statutes, and reads in part as follows.

....As state employees, employees of the Arizona Attorney General's Office are subject to certain restrictions on their campaign and political activities. These restrictions apply irrespective of party affiliation or intended support of candidates or ballot measures. The state restrictions (Arizona's "mini-Hatch Act") are found at A.R.S. § 41-752. The public policy behind these limitations is at A.R.S. § 41-752(K), which states:

It is the public policy of this state, reflected in this section, that government programs be administered in an unbiased manner and without favoritism for or against any political party or group or any member in order to promote public confidence in government, governmental integrity and the efficient delivery of governmental services and to ensure that all employees are free from any express or implied requirement or any political or other pressure of any kind to engage or not engage in any activity permitted by this section. Toward this end, any person or entity charged with the interpretation of this section shall take into account the policy of this section and shall construe any of its provisions accordingly.

The statutes regulating political activity by State employees attempt to strike a permissible balance between an employee's constitutional rights and the rightful interests of the State. The governmental interests advanced include: (1) an enhanced government work force of efficient, apolitical employees, and (2) an enhanced appearance of impartiality. *Fernandez v. Personnel Bd.*, 175 Ariz. 39, 41, 852 P.2d 1223, 1225 (App. 1992) (holding A.R.S. § 41-772²⁰ was not unconstitutionally broad and did not violate the First and Fourteenth Amendments). Another goal is to insure that employment and advancement in Government service are not dependent on political performance, and that government employees are free from pressure to vote in a particular way or perform political chores in order to curry favor with their supervisors rather than act on their own beliefs. *Ariz. Atty. Gen. Op.* 183-134, citing *United States Civil Service Comm V; v. National Assoc. of Letter Carriers*, 413 U.S. 548 (1973).

The section of the Memorandum relating to the "Appearance of Impropriety" suggests that AGO employees:

¹⁹ See Exhibit 2 to this report, Beattie Affidavit and Exhibits, and particularly Beattie Exhibit 5.

²⁰ Footnote 2 at this point in the Solicitor General's Office Memorandum dated 9/5/13 reads as follows: "This statute was amended in 2012 by Laws 2012, Ch. 321 115, effective Sept. 29, 2012, and the numbering was changed."

...Avoid any conduct that would create the appearance that you are using your state position to support or oppose a political candidate, or that state resources are, were, or may be used to further any political campaign. Avoid any conduct that might call your motives, truthfulness or integrity into question, or might reflect adversely upon the Attorney General or this office.

It would not appear, based on the evidence, that Mr. Horne and others in the AGO EXO who functioned on the core campaign team exercised the discretion to avoid the appearance of impropriety.

The section on “Use of Public Resources” contains provisions (which have been emphasized) applicable to the issues under investigation.

USE OF PUBLIC RESOURCES

Although public officers and employees may engage in certain types of political activity, no public resources may be used for this purpose. No public employee may participate in any political or campaign work while on the public’s time, use public facilities, materials, and equipment for political or campaign activity, or travel at public expense for non-public purposes.

What does this mean?

- ◆ You must put in a full work week. If you engage in political activity during your normal working hours, you must take annual leave to do so. Do not commingle work on a campaign or political activity with your work time.
- ◆ Do not use government equipment, property, supplies or materials for political purposes. This includes phones, computers, pagers, Blackberry and other electronic devices, state vehicles, paper, fax machines. A.A.C. R2-5-501 (c)(5), A.A.C. R2-10-107 (state vehicles).
- ◆ Do not send campaign-related or other political e-mail from your state computers or Blackberry. See Attorney General’s Internet and E-Mail Policy, section V(I).

If you receive campaign-related e-mail on your state computer, delete it and contact the sender(s) to request that they refrain from sending campaign material at work.

- The Internet and E-Mail policy permits limited personal use of the internet during personal time (see section V). Pursuant to this policy, merely accessing a partisan political website would not violate this policy or A.R.S. § 41-752.

Do not conduct political meetings in your government office.

Do not use your title or affiliation with this office when engaging in permitted political activities.

Finally, the section on “Consequences for Violation” reads as follows.

CONSEQUENCES FOR VIOLATION

An employee who engages in restricted political activity is subject to suspension of not less than thirty days or dismissal . A.R.S. § 41-752(G). An employee who violates A.R.S. §§ 41-752(D) is guilty of a class 6 felony. A.R.S. § 41-752(H) (1). Violation of any of the other provisions is a class 1 misdemeanor. A.R.S. § 41-752(H)(2). Further, any person soliciting or encouraging a contribution in a manner prohibited by this section are subject to a civil penalty up to three times the amount of the contribution plus costs, expenses and attorneys fees. A.R.S. § 41-752(1).

Applicability of A.R.S. § 16-192, Use of public resources to influence elections

In 1996, the Arizona Legislature enacted a series of statutes to prohibit the use of public resources “for the purpose of influencing the outcomes of elections.” 1996 Ariz. Legis. Serv. Ch. 286 (S.B. 1247). In 2013, the Arizona Legislature substantially amended the prohibitions against the use of public resources to affect elections. *See* 2013 Ariz. Legis. Serv. Ch. 88 (H.B. 2156). Among the broad changes made, the Legislature provided a statutory definition of “influencing the outcomes of elections.”

The Legislature further amended the relevant statutes in 2015, after the conduct under investigation, which took place in 2013 and 2014. *See* 2015 Ariz. Legis. Serv. Ch. 296 (H.B. 2613) The 2015 amendment added in specific provisions relating to special taxing districts, but did not substantively change those provisions relevant to the conduct of the AGO staff under inquiry in the present investigation.

The version of A.R.S. § 16-192 in effect for the time frame of the conduct under investigation, from August of 2013 to April of 2014, is set forth in House Bill 2156, signed by the Governor on April 11, 2013, and reads in part as follows.

16-192. Use of public resources to influence elections; prohibition; civil penalties; definition

A. Notwithstanding any other law, this state and all political subdivisions of this state, including cities, counties, special districts, schools or charter schools and any public agency, department, board, commission, committee, council or authority shall not spend or use public resources to influence an election, including the use or expenditure of monies, accounts, credit, materials, equipment, buildings, facilities, vehicles, postage, telecommunications, computer hardware and software, web pages and personnel and any other thing of value of the public entity.

B. This section does not prohibit:

1. The use of public resources, including facilities and equipment, for government-sponsored forums or debates if the government sponsor remains impartial and the events are purely informational and provide an equal opportunity to all viewpoints. The rental and use of a public facility by a private person or entity that may lawfully attempt to influence the outcome of an election is permitted if it does not occur at the same time and place as a government-sponsored forum or debate.

2. The presentation of factual information in a neutral manner for the purposes of educating and informing voters as otherwise provided by law, including information on a bond, budget, override, candidate or other type of election and including publications and activities otherwise prescribed by chapter 6, article 2 of this title for the citizens clean elections commission.

C. The attorney general, the county attorney for the county in which an alleged violation of this section occurs or any resident of the jurisdiction that is alleged to have committed a violation of this section may file an action in the superior court to enforce this section.

D. Any person or public entity that knowingly violates this section or that knowingly aids another person or public entity in violating this section is liable for a civil penalty of not more than five thousand dollars for each violation. The court also may order the person or public entity in violation to pay an additional penalty in an amount that equals the value of the public resources unlawfully used. The civil penalties shall be paid as follows:

1. For civil penalties ordered in an action filed by the attorney general, to the office of the attorney general to defray the costs of enforcement.

2. For civil penalties ordered in an action filed by the county attorney, to the office of the county treasurer for deposit into the general fund of the county.

3. For civil penalties ordered in an action filed by a resident of the jurisdiction in violation, to the resident.

E. This section does not deny the civil and political liberties of any person as guaranteed by the United States and Arizona Constitutions.

F. For the purposes of this section, "Influence an election" means supporting or opposing a candidate for nomination or election to public office or the recall of a public officer or supporting or opposing a ballot measure, question or proposition, including any bond, budget or override election and supporting or opposing the

circulation of a petition for the recall of a public officer or a petition for a ballot measure, question or proposition in any manner that is not impartial or neutral.

Note that given the wording of Section A, the prohibitions of this statute appear to be directed toward governmental entities or units of government, such as the “State” or “public entities” or “departments;” however, Section D indicates that it is enforceable against “any person” or “public entity.”

D. Any person or public entity that knowingly violates this section or that knowingly aids another person or public entity in violating this section is liable for a civil penalty....

The meetings, communications and other campaign related activities, carried out during the business day while on duty, as discussed in the Factual Issues, would appear to fall under the category of engaging “in activities to advocate the election or defeat of any candidate” (employing the language of A.R.S. § 41-752) or “influencing an election” (employing the terminology for the prohibited acts set forth in A.R.S. § 16-192). The persons, based on a preponderance of evidence, who have, to varying degrees, engaged in these activities while on state time include Tom Horne, Garrett Archer, Brett Mecum, Sarah Beattie, Debra Scordato, Kathleen Winn, Margaret Dugan and Stephanie Grisham. It is also apparent, based on the evidence, that the campaign work done while employees were on duty was significant and not de minimus.

Mr. Horne appears to have employed three defenses.

1. The employees in question were not engaging in substantive or “significant” campaign activities, but rather their activities were “insignificant,” akin to “water cooler talk,” and the extent of the campaign related emails was *de minimus*.

The number of campaign emails unearthed in Ms. Beattie’s private gmail account alone is remarkable, and it is reasonable to conclude that this number is a fraction of the total volume of campaign related emails involving core campaign team members while they were on duty. The email statistics we derived about persons other than Ms. Beattie were based solely on emails she received or sent. It is reasonable to conclude that the others sent campaign emails to persons other than Ms. Beattie and she was not the addressee or was not copied. Further, there is evidence that campaign related meetings and activities were indeed significant.

2. The employees in question, as regards specific incidents, were either on their breaks or had atypical schedules so that they engaged in campaign activities only when they were on breaks or otherwise not on duty, before or after their normal hours.

This defense is at best speculative, because there is no way for employees to assert with any degree of certainty that they were on break, lunch hour or not working because of a schedule adjusted from normal business hours, on the significant number of times they, for example, sent emails during the normal business day. This defense attempts to provide plausible deniability

that any employee was campaigning while on duty by providing the excuse, "I must have been on break or off duty at that moment."

3. Finally, Mr. Horne appears to be asserting what he considers to be an infallible position that the exempt (salaried) employees (who were also "exempt" employees by virtue of falling into the categories listed in A.R.S. § 41-742.F) do not really have a "schedule" per se, and when they were in the office and engaged in campaign activities, they were by definition not "on duty," but they nonetheless put their time in and established that the hours they listed on their timesheets were duty hours by "certifying" that the hours were correct.

At first glance, this position might initially be considered infallible in a sense – there is no way to prove that the employees did not put in their "on duty" hours for the AGO, but is also apparent that there is no way they could prove they were "on duty" for the hours listed, apart from their certification. Mr. Horne appears to be relying on the certification as proof, claiming that these persons did not falsify their timesheets in light of the fact they had "certified" the time sheets as true.

The "Employee Certification" (see Exhibit 12) reads as follows.

EMPLOYEE CERTIFICATION: I hereby certify that the attendance reported for the pay period is correct and that I have performed services on the days for which hours worked are indicated. Any future hours submitted are my best estimate and I will report any necessary adjustments. I understand that any falsification on my time sheet may subject me to disciplinary action and/or legal prosecution.

The Certification does not read, "I have performed services in connection with my job duties throughout the hours listed on my timesheet," but rather reads, "I have performed services on the days for which hours worked are indicated." Given the equivocal phrasing of the Certification, it need not be interpreted as certifying that an employee worked on AGO business for the hours listed, only that (some) services (presumably AGO business tasks) were performed on days when hours were listed.

Further, for Mr. Horne's explanation to have any significance, from an evidentiary standpoint, the employees would need to keep records of their start and end times, breaks, lunch break, time spent on AGO work, time spent on the campaign, and time spent on other personal activities. None of this type of information appears to have been generated and recorded. It is also possible, if not likely, that employees may not have recorded their hours on a daily basis, but even at the end of the week or at the end of the pay period. How would an employee even know or remember with any specificity whether they had engaged in State work on State time, consistent with the hours listed on their timesheets, as opposed to campaign work or other personal activities while on State time, absent some sort of records keeping system?

Mr. Horne seems to be suggesting that the employees, to make these certifications, must have gone through the machinations of calculating whether the hours they put down on their timesheets, as the hours they actually were engaged in AGO business, were correct.

Generally, what does it mean, for example, that an employee who has worked from 8:00 a.m. to 5:00 p.m., and taken an hour lunch, has “certified” that he or she has worked 8.0 hours? It would suggest only the employee was at the workplace 8 hours that day, not that the employee was actually working on the business of the employer for 8 hours. In fact, in the case of a number of AGO EXO employees, the evidence shows that there was significant campaign activity, whether checking private email accounts or having what may have been brief meetings, or reviewing draft fundraising announcements, etc., that would have been included in this time other than working on the business of the AGO.

Further, a review of the timesheets of select AGO employees involved in the Horne 2014 campaign (see Exhibit 12) shows that the general practice was to write in 8.0 hours on days they worked. For example, Garrett Archer wrote down 8.0 hours on virtually every day he worked from September 23, 2013 to April 22, 2014, except a few days when he took sick leave or other leave, suggesting that this was a pro forma, automatic indication for him to make on his time sheets. It does not seem reasonable that he was working exactly 8.0 hours on AGO business on each day he wrote in 8.0 hours on his timesheets.

Next to consider are the provisions of the AGO Solicitor General’s Office Memorandum dated 9/5/13, Re: Limitations on Political and Campaign Activities of AGO Employees.

The Memo states that the statutes relating to political activity exist in part for the advancement of governmental interests, which include “an enhanced government work force of efficient, apolitical employees.” The evidence collected in the investigation suggests that, in the case of the AGO EXO employees serving on the core campaign team, the government interests advanced by the statutes did not include “apolitical” employees; rather, this was a group of employees who were “dual citizens” in the AGO workplace and in the heart of a partisan political campaign.

The section of the Memorandum relating to the “Appearance of Impropriety” suggests that AGO employees “...Avoid any conduct that would create the appearance that you are using your state position to support or oppose a political candidate, or that state resources are, were, or may be used to further any political campaign. Avoid any conduct that might call your motives, truthfulness or integrity into question, or might reflect adversely upon the Attorney General or this office.” It would not appear that Mr. Horne and others in the AGO EXO who functioned on the core campaign team uniformly exercised the discretion to avoid the appearance of impropriety.

The section on “Use of Public Resources” in the memorandum provides the following information.

No public employee may participate in any political or campaign work while on the public's time, use public facilities, materials, and equipment for political or campaign activity, or travel at public expense for non-public purposes....

You must put in a full work week. If you engage in political activity during your normal working hours, you must take annual leave to do so. Do not commingle work on a campaign or political activity with your work time....

Internet and E-Mail policy permits limited personal use of the internet during personal time (see section V). Pursuant to this policy, merely accessing a partisan political website would not violate this policy or A.R.S. § 41-752....

Do not conduct political meetings in your government office....

The preponderance of evidence suggests that members of the core campaign team did engage in substantive campaign work on State time, commingle their campaign activities with their work time, and conduct political/campaign meetings in the office, in violation A.R.S. § 41-752.

Left to consider is A.R.S. § 16-192. Sections A and F state, to reiterate:

A. Notwithstanding any other law, this state and all political subdivisions of this state, including... any public agency, department, board, commission, committee, council or authority shall not spend or use public resources to influence an election, including the use or expenditure of monies, accounts, credit, materials, equipment, buildings, facilities, vehicles, postage, telecommunications, computer hardware and software, web pages and personnel and any other thing of value of the public entity.

F. For the purposes of this section, "Influence an election" means supporting or opposing a candidate for nomination or election to public office or the recall of a public officer or supporting or opposing a ballot measure, question or proposition, including any bond, budget or override election and supporting or opposing the circulation of a petition for the recall of a public officer or a petition for a ballot measure, question or proposition in any manner that is not impartial or neutral. (emphasis added)

Given the provisions of A.R.S. § 16-192, the central question to be addressed is this:

Were Mr. Horne and other AGO EXO personnel attempting to influence an election (Mr. Horne's 2014 re-election campaign) during the period from August 2013 to April 2014 using public resources?

This statute provides a broader scope of "public resources" than employees merely being "on duty" when assessing whether public resources have been used. What follows is a

listing of the types of public resources that persons “influencing an election” are prohibited from using, followed by the summary findings of the analysis and investigation conducted by this office.

- Monies, accounts and credit: No evidence was presented that these State items were used as part of attempts by the individuals in question to “influence” Mr. Horne’s prospects in the 2014 re-election for Attorney General.
- Materials, equipment: It is unclear to what extent state paper and printers were used to influence the election. The record reflects that members of the core campaign team worked on, for example, campaign flyers and other campaign related documentation at the AGO, and it is presumed that hard copies of these documents or iterations of same may have been printed out. The only feature of Rock Products that was used by the Horne campaign was space for meetings, not supplies, printers or other office equipment. That said, if core campaign staff were using a state stapler or paper clips, folders, pens, and other simple office supplies, which common sense suggests appears to be more likely than not, they were using state materials and equipment and therefore state resources, although the cost of these items may have been nominal.
- Buildings, facilities: The preponderance of evidence indicates that the AGO EXO functioned as a campaign office for the 2014 Horne campaign, and employees did use the offices of the AGO for meetings, consultations, telephone calls, preparation of campaign related emails, and as a base from which to send and receive at least some emails related to the campaign, even though they may have been using, while at work, their personal laptops to access their personal email (relating to the campaign).
- Vehicles: There was one known instance of an employee, Kathleen Winn, using a state vehicle to drive to Rock Products for a campaign meeting. Ms. Winn and Mr. Horne acknowledged that this occurred, and reportedly, Ms. Winn was required to reimburse the state.
- Postage: It is unknown whether the state paid for postage for any 2014 Horne campaign-related mail.
- Telecommunications: We did not as part of this investigation obtain local or long distance telephone records to ascertain whether any of the core campaign staff used state telephones or long distance service on campaign-related calls. Sarah Beattie indicated that when Mr. Horne made calls to donors from his office when she was present, he used his personal cell phone.
- Computer hardware and software:

We were provided by the AGO with digital files (Exhibit 15) containing images of the C drives of the computers assigned to the employees listed below. We forensically reviewed the data, and what was discerned is set forth in Appendix H and summarized in

the following. It should be noted that the hard drive reproductions did not contain the volume of folders, files and other documentation one might expect to find on a business-related computer hard drive, suggesting the possibility that folders and files were scrubbed or deleted prior to the imaging of the folders. It is, for example, highly unlikely that a business user would not have a "Documents" folder, but on Mr. Archer's computer the three folders listed were Conduit, Downloads and Library. Mr. Archer, through his counsel, was unwilling to be interviewed, so he could not be questioned about this.

Sarah Beattie. The file for Ms. Beattie's imaged hard-drive contains three folders; Desktop, Documents and Pictures. No documents were found that appeared to be related to campaigning.

Tom Horne. There are only two folders on Mr. Horne's imaged hard-drive; Desktop and Documents. In the Documents folder, there is one file called "Invite" which appears to be an invitation to a 3/28/11 fundraising event for Mr. Horne, entitled, "Please Join Attorney General Tom Horne with Film Star, Musician & Lawman Steven Seagal." The narrative directs guests to make checks out to "Tom Horne 2014," includes information on the website www.ElectTomHorne.com, and is "Paid for by Tom Horne for Attorney General" (last modified 3/23/11 at 5:10 PM).

There is also a document called "letter" saved in the Documents Folder (last modified 3/23/11 at 5:11 PM), which is a letter titled "Tom Horne for Attorney General." This appears to be the cover letter related to the fundraiser flyer noted above, raising funds for Tom Horne's 2014 campaign.

Garrett Archer. Review of the file reported to be Mr. Archer's imaged hard-drive reflected only 3 folders: Conduit, Downloads and Library. There were no campaigning related documents in any of the folders. It would appear that the hard drive of Mr. Archer's computer was scrubbed, given the absence of common folders such as "Documents."

Brett Mecum. Review of the file reported to be Mr. Mecum's imaged hard-drive reflected only 2 folders; Documents and Downloads. There is also a second Downloads folder inside of the Documents Folder. This folder, appears to contain Mr. Mecum's personal documents.

- Invitations to Fund Raising breakfast for Congressman Paul Gosar
- Mecum Affidavit 5-1-13
Related to volunteer mailings conducted by the Arizona Republican Party in 2010 when he was the Executive Director (last modified 5/8/13 at 2:46 PM)
- Sbeattieresume5-31-13 (2 versions)
Ms. Beattie's resume (last modified 6/28/13)
- Vogt Resume 2013 (2 versions)
Resume for Janson T. "Ted" Vogt (last modified 3/22/13)

- fi...PREME-COURT-OPINION Court Opinion re: Arizona Citizens Clean Elections Commission v. Brain (Bennett)

Notable documentation in the Downloads folder:

- AZCC, Intrepid Global Strategies
Various ACC documents related to Intrepid Global Strategies, LLC, Mr. Mecum's political consulting business
- Grisham Cover Letter (2 versions)
Job cover letter for Mecum directed to Janice Brewer's Chief of Staff (last modified 1/22/14)

Debra Scordato. There are 4 folders on Ms. Scordato's imaged hard-drive: Desktop, Documents, Downloads and Pictures.

The first folder, Desktop, contains a folder called "Deb," which has two personal documents.

- COVER LETTER (2 versions)
5/28/14 Cover Letter for a position with ASU
- DEBRA RESUME (last modified 5/21/14)

In the Desktop folder, there is a folder called "RAGA CONTACTS." This folder contains two Excel files with contact information for various persons we assume were members of RAGA, the Republican Attorneys General Association. Their website, www.republicanags.com, reflects that RAGA "is the only national organization whose mission is electing Republicans to the Office of State Attorney General."

In the Desktop folder, there is a file called "THUMB DRIVE," which contains an Excel spreadsheet listing the contents of a thumb drive (last modified 6/13/14 at 2:55 PM). The contents of the thumb drive, however, are not in the digital folders provided by the AGO. Numerous files listed appear to be related to campaigning. Specifically, the folder called "Horne 2014," which references 13 Sub-Folders, all pertaining to the campaign, including Achievements, Calendar, Campaign Meeting Agendas, Core Meetings, Drug Cartel Re-Elect Letter and Info, Horne/Rotellini Comparison, Invitations, Letters, Letters of Appreciation, Letter and Attachments to EGC, RAGA, Rotellini and Speeches.

There were also a sizable number of files (55) listed in the "Thumb Drive" folder, pertaining to the Horne 2014 campaign, but again the files themselves were not on the hard drive.

Files:

Contribution Database
500+ w/addressed

2010 2014 Database
2014 Petition total
Updated list from Teresa
Email Blast Bert Coleman
Endorsements
Sign in Sheets
Letterhead
Volunteer Form
Attorneys for Cantelme
AZ Correctional Peace Officers Endorsement
Combined Database of Contributions
Contact Information Form
Contribution Form
Contribution Thank You Letter
County Meeting Speech
Comparison Piece
Economic Philosophy of Tom Horne
Endorsement Card
Event Sign Up
Fountain Hills Donors
SOS Electronic Signatures
Email List
Confidential FR
Horne housefile kickoff changes from TH
Horne prospecting ban lawenforcement combo
Howie Fischer on Horizon
June/July Contributors
Labels
Lincoln Day Commtteemen Letter
List of Possible Donors from Denver
Mark Brnovich Speech
Master Signature Database
Memoirs of a Candidate
Negative Ad
NRS
Petition TY Letter
Poll Press Release
Post Office Information
Press Release re: Brnovich getting out of race
Signature totals

Slandr Ad
State Precinct Committeemen
Tea Party Groups
Nomination Petition
TopLine Poll
Tucson 100 or more
Upcoming Gun shows
Updated Contributors
Volunteer information
Volunteer Sign up Form
Voter Fraud Coverup Ch 12
VP Candidate Questionnaire
With employer and Occupation

A possible inference that can be drawn is that Ms. Scordato may have worked on Horne campaign documents on her state computer, but all work was saved only on a thumb drive that she removed. Ms. Scordato, through legal counsel, declined to be interviewed in this investigation, so she could not be asked about these matters.

Katherine Winn. Ms. Winn's imaged hard-drive contains three folders: Desktop, Documents and Pictures. The first folder, Desktop, contains multiple business related photos. There are also two Word documents relating to litigation. The other folders contain what to be legitimate business related material.

Margaret Dugan. Ms. Dugan's imaged hard-drive contains four folders: Desktop, Documents, Downloads and Pictures. In the Documents folder, there are some personal documents that do not appear to be related to the campaign. Ms. Dugan's draft affidavit regarding Ms. Beattie is saved in the Documents folder, under the file name "I met with Garrett Archer every other Monday at 10." The document was last modified 5/20/14 at 10:24 AM.

In the Downloads folder, there is also a Defendant's Trial Brief filed in connection with the Yavapai County Attorney Campaign Finance Proceeding concerning Tom Horne for Attorney General Committee and Kathleen Winn, Business Leaders for Arizona.

In summary, there is some evidence that the hard drives of state computers of these core campaign team members may have been used for advancement of Mr. Horne's campaign, but the documentation in the hard drive folders was, in the case of most individuals, minimal, suggesting the distinct possibility that the folders and files may have been scrubbed or deleted. It is clear that Ms. Scordato was the primary keeper of the campaign records, but it appears that she worked off a thumb drive and did not save the folders and files to the hard drive of her computer.

- Web pages (State internet):

We were provided by the AGO with Excel spreadsheets containing information relating to the web browser histories of selected core campaign team members, which is summarized in Appendix G.

Sarah Beattie. There was only one date of records produced for Ms. Beattie, 5/15/14, which included approximately 36 entries from 11:32 AM to 11:36 AM. This date is after Ms. Beattie left the employ of the State, leading to the conclusion that maybe the dates on the Excel spreadsheets are inaccurate, or the internet access on Ms. Beattie's computer was by another employee after she left.

Tom Horne. The record for Mr. Horne contained approximately 347 lines of internet access, with what appeared to be some personal use, as well as access of media sites. The record did not reveal any significant pattern of personal or campaign use, whether on State or personal time.

Garrett Archer. The internet access record of Mr. Archer was remarkably brief, with only approximately 150 accesses over the course of 9 months. The only pattern of interest was Mr. Archer's access of the site for the Drudge Report periodically during February through April of 2014.

Brett Mecum. The internet access log for Mr. Mecum consists of approximately 2,468 lines. There are numerous entries to various Arizona government websites. There is a high number of inquiries to the "Yellow Sheet Report," which is advertised as "Your Inside Source for Arizona Politics, Government and Business" published by the Arizona Capitol Times. This site requires a subscription, and various entries show where Mr. Mecum has logged in and logged off. Mr. Mecum did access his Gmail email account, bmecum@gmail.com, from his State computer. He also used several different internet search engines, including Firefox, Internet Explorer and Google Chrome.

Mr. Mecum does have logged access to some websites potentially related to campaigns.

- Arizona Capital Reports – Candidates Reports
- Arizona SOS – Campaign Finance Workshops
- Arizona SOS – CFS Candidate Summary Search
- Yellow Sheet Report – Hell Week Fundraisers and Fundraisers by Lawmakers
- Yellow Sheet Report – Babeu PAC Can Now Focus on Fundraising

He had regular access to what appear to be personal items, i.e. Walgreens, diets, etc. As with Mr. Archer, Mr. Mecum accessed the Drudge Report on a regular basis.

Debra Scordato. There are approximately 1,293 entries on Ms. Scordato's internet access log. There are numerous references to websites which appear to be related to personal use, including Facebook, Craigslist, Trulia, Walgreens, US Airways, Lamps Plus, YouTube, Aveda, Cute Overload, Bank of America and Best Buy. As with the others,

she has logged on to Google services as well. There are no entries suggesting a clear pattern of internet usage related to the campaign.

Katherine Winn. There are approximately 2,215 entries for Ms. Winn during the specified time period. Ms. Winn does appear to have used the internet for personal use, accessing Amazon.com and searching home, garden and personal items. It appears that she used the internet to shop for curtains and accessed the Arizona Foothills Magazine. Ms. Winn also has accessed Facebook, Sports Illustrated, YouTube and movie related sites. Based on all of the employees reviewed, it appears that Ms. Winn may have used the internet for personal use more than the others. There were no entries observed that clearly suggested usage of the internet for campaign related activity.

We requested records relating to WiFi access by selected members of the core campaign team. The AGO provided the following response.

From our Director of ISS: “The AGO wifi infrastructure is only configured to store 30 days of logs. The AGO does not have any data logs for the timeframe 8/1/13-4/22/14.”

- Personnel: This last item, personnel, has been addressed at length throughout the factual issues discussed in the foregoing. The preponderance of evidence relating to these factual issues, as well as the email record from Ms. Beattie’s gmail account, which follows, reflects that various employees were attempting to advance and influence the election of Mr. Horne in the study period using public resources.

Employee	Total sent campaign-related emails	Emails sent during working hours (0800 to 1700, except 1200 to 1300 hours) when employee was working	Emails sent in other than normal working hours or during normal business hours but the employee was not working.
Archer, Garrett	29	16	13
Beattie, Sarah	426	239	187
Dugan, Margaret	6	3	3
Grisham, Stephanie	19	11	8
Horne, Tom	46	23	23
Martinez, Adria	14	14	0
Mecum, Brett	40	28	12
Scordato, Debra	125	83	42
Winn, Kathleen	14	9	5
TOTALS	719	426	293

The preponderance of evidence suggests that members of the core campaign team engaged in activities in attempt to influence an election (campaign related activities) using public resources, in violation of A.R.S. § 16-192.

- B. Were certain employees, under the pretext of being “volunteers” in the 2014 Horne re-election campaign, with Mr. Horne’s knowledge and authorization, receiving compensation through State funds for their campaign work and expertise on the 2014 re-election campaign, even though the campaign work was not exclusively performed on State time or using State resources?**

Investigative Findings, Allegation B

The RCN and RCN Memo indicate that there was reasonable cause to determine that Tom Horne, as Treasurer of the Tom Horne 2014 Campaign Committee (SOS Filer ID 201200082), had violated provisions of Title 16, Chapter 6, Article 1 of the Arizona Revised Statutes, specifically A.R.S. §§ 16-904, 16-913 and 16-915.

The July 9, 2014 RCN Memorandum from Christina Estes-Werther, State Election Director, forth specific statutes for which there was reasonable cause to believe had been violated, in connection with the reporting of campaign contributions.

Tom Horne, as treasurer of the above named committee, has violated A.R.S. §§ 16-904, 16-913, and 16-915 and any other statutory provisions relating to the failure to perform a duty as required by law for failing to report campaign contributions. Specifically, the violations relate to the 2014 January 31st campaign finance report and 2014 June 30th campaign finance report....

On May 12, 2014, Tom Ryan, on behalf of Sarah Beattie, filed an Affidavit and Exhibits alleging misuse of state resources. Specifically, Ms. Beattie alleges that Mr. Horne and his Executive Office staff have engaged in campaign activities while being compensated by the State of Arizona in violation of state campaign finance laws.

Pursuant to our jurisdiction under Arizona Revised Statutes, Title 16, Chapter 6, Article 1, our office investigated the matters involving the accurate reporting of political committee campaign contributions and expenses. We do not have jurisdiction over some of the matters that were raised by Ms. Beattie and this memo and the notice only includes the basis for campaign finance violations, not all of the allegations she submitted to our office....

Volunteering for a political campaign is not considered a campaign contribution. See A.R.S. § 16-901(5)(b)(1). However, Ms. Beattie alleges and the response substantiates, that Executive Office employees at the Attorney General's Office were not volunteering but instead were being compensated by the State of Arizona while conducting campaign activities for Mr. Horne. There has been no evidence submitted by Mr. Horne that supports his claim that the Executive Office implemented or followed state law or the Attorney General Memo to prevent campaign activities from occurring during work hours, which could have provided a viable and meaningful defense to these

allegations.

Since the campaign activities are not volunteer hours, they are no longer exempt from the contribution definition. These non-monetary services are in-kind contributions and Mr. Horne has not reported these in-kind contributions in the 2014 January 31st or 2014 June 30th campaign finance reports. Further, acceptance of these types of contributions is unlawful under Title 41 of the Arizona Revised Statutes....

Pursuant to A.R.S. § 16-924, we have determined there is reasonable cause to believe that Mr. Horne, as the treasurer of the above named candidate committee, has violated Arizona's campaign finance statutes by failing to report in-kind contributions for his candidate committee. Further, accepting a state employee's time to work on campaign activities is an illegal contribution that must be investigated further by the appropriate entity. We therefore refer this matter to your office for appropriate enforcement.

The question here is whether the campaign work done by core campaign staff was not voluntary, but rather compensated for by the State. There are two ways of looking at this inquiry: first, whether they were working on campaign activities while they were on duty and being compensated by the State; and second, whether, particularly in the case of Ms. Mecum, Ms. Beattie and Mr. Archer, their "compensation" for their campaign work, which may or may not have been done while they were "on duty," was the fact they were given jobs in the AGO.

As to the first question, based on a preponderance of evidence, as set forth in the findings to Allegation A, it would appear that members of the core campaign team were engaged in campaign activities at times while they were on State time. However, one cannot quantify, with any degree of probability, how much time was spent engaging in campaign related activities on State time, absent some sort of system where employees kept track of their State work vis a vis their campaign work while on duty. The only documentary evidence, apart from witness accounts, is the email trail, and this investigation only had access to the private email account of one employee, the complainant, Ms. Beattie. No emails on the State system could be recovered. Nonetheless, based on the evidence, a reasonable person would come to the conclusion that the time was significant and certainly not "water cooler talk" or *de minimus* as it has been characterized by Mr. Horne.

The second question, whether certain employees were compensated for their campaign work by being given jobs at the AGO, centers around the employment of Mr. Mecum, Ms. Beattie and Mr. Archer. As discussed elsewhere in this report, including Factual Issues 23, 24 and 25, all came from primary career paths as paid political consultants or operatives, although Mr. Archer worked for nearly 4 years for Congressman Schweikert.²¹

²¹ Notably, Mr. Archer commented that when he worked for Congressman Schweikert, he was required to take leave from employment for the federal government when he worked on Mr. Schweikert's campaign.

Both Mr. Mecum and Mr. Archer had formed political consulting businesses well prior to the start of their work for the AGO.

Prior employment on Mr. Mecum's LinkedIn Resume included the following.

- Intrepid Global Strategies, LLC, 8/11 to 2/13, Founder and Principal
- Arizona Republican Party, 1/09 to 6/11, Executive Director
- Arizona Republican Party, 10/07 to 12/08, Political Director
- Arizona Republican Party, 2/07 to 10/07, Communications Director
- Mecum and Associates, LLC, Consultant

Prior employment on Ms. Beattie's application and resume includes the following.

- Lovasco, 2/12 to 12/12, Deputy Campaign Finance Director
- Rose Moser & Allyn Public Relations, 11/10 to 6/11, Administrative Assistant
- Friends of John McCain, 5/09 to 10/10, Executive Assistant

Prior employment on Mr. Archer's application and resume includes the following.

- U.S. House of Representatives, 1/11 to 8/13, District Representative with Rep. David Schweikert
- Archway Strategic Communications, 2011 to 8/13, Owner
- Lincoln Strategy Group, 8/08 to 12/10, Director of Information Technology
- Arizona Republican Party, 9/07 to 8/08, Director of Information Technology

Mr. Mecum was the first of the three hired, and he started at the AGO in February 2013. Subsequently, Mr. Mecum recommended Ms. Beattie to Mr. Horne, followed by her hiring in August 2013, and Mr. Mecum recommended Mr. Archer to Mr. Horne, which was followed by his hiring in September 2013.

Ms. Beattie reports that she, Mr. Mecum and Mr. Archer were thought to be a campaign "dream team," with Mr. Mecum providing strategic guidance, Ms. Beattie experience in fundraising, and Mr. Archer technical savvy, as well as being described in the core campaign team descriptions (See Beattie Exhibit A5) as "Master of the Dark Arts," a term, curiously, that Mr. Horne claimed he did not know and could not explain.

Mr. Mecum's history of functioning as a campaign operative or strategist is clear from his LinkedIn resume, and he had not held a prior position in government at least in the period from 2007 to the time he was hired in February 2013, on the eve of the start of the 2014 re-election campaign of Mr. Horne. As discussed in Factual Issue 23, Mr. Mecum's political career was built on employment with the Arizona Republican Party, where he served as Executive Director, and then subsequently he started his own political consulting firm.

He was not asked in the MCAO interview about the amount of time he was on leave(s) for this purpose during his work for Mr. Schweikert's campaign.

Similarly, Ms. Beattie's career path, given the information she provided in the interview as well as what was in her AGO job application and resume, was in politics and campaigning as well, as discussed in Factual Issue 24. It is Ms. Beattie who provided the information that she, Mr. Mecum and Mr. Archer were considered to be the campaigning "dream team" who were on Mr. Horne's staff, with Beattie and Archer becoming employees of the AGO at Mr. Mecum's recommendation to Mr. Horne.

Finally, as discussed in Factual Issue 25, Mr. Archer had a history of work that blended politics and technology, although he did serve on the staff of Congressman David Schweikert for, he claims, almost 4 years, working in Constituent Services, but during this time, he also formed Archway Communications Solutions, a business reportedly involved in political technology. Mr. Archer claimed that he also worked in "ballot chasing," which can be described as campaign-led efforts to find challenged ballots that are likely to favor a particular candidate and making sure those voters get their ballots counted.

What is unique about Mr. Mecum, Ms. Beattie and Mr. Archer is that they had historically functioned as political/campaign consultants, whereas the other core campaign team members had been or were campaign volunteers who had assisted with Mr. Horne's prior campaign(s) in one respect or another. While these other core team campaign members, such as Ms. Dugan or Ms. Scordato, could be considered volunteers, the overall facts tend to suggest that Ms. Mecum, Ms. Beattie and Mr. Archer were hired, at least in part, for what they could do for Mr. Horne's campaign. Based on the totality of the evidence, the inference can be drawn that their compensation for working on Mr. Horne's campaign was their jobs at the AGO.

It should be noted that Mr. Horne vehemently denied that these individuals were hired in any way for their campaigning acumen or political savvy, but the evidence suggests otherwise. Furthermore, Mr. Horne denied that any of the three did any significant campaign work for his 2014 re-election campaign, but again the evidence proves otherwise.

The employment details relating to Ms. Beattie are somewhat revealing.

- Before she was hired, she had a lunch meeting with Ms. Winn, which was arranged by Brett Mecum. Ms. Beattie claims that the prime subject matter at the this meeting was Mr. Horne's campaign, although Ms. Winn denies that the campaign was mentioned, or that she even had substantive knowledge about Ms. Beattie's work on prior campaigns. Mr. Mecum declined to be interviewed.
- Ms. Winn reported that she informed Mr. Horne and others that Ms. Beattie was a horrible employee, and claims that she even threatened at one point to quit if Beattie was retained. Despite the fact that Ms. Winn had a long association with Mr. Horne and appeared to be a trusted employee and confidante, Mr. Horne, rather than terminating Ms. Beattie, found another job for her, and Ms. Beattie

was transferred from Ms. Winn's division, Community Outreach, to Constituent Services. Mr. Horne indicated in the interview that he decided to give Ms. Beattie another chance, knowing that Ms. Winn was a difficult supervisor for whom to work. Mr. Horne also indicated that there were other employees who had difficulties working with Ms. Winn, and after they were transferred, they turned out to be good employees.

- The evidence suggests that, more or less concurrent with Ms. Winn's complaints about Ms. Beattie, Ms. Beattie was complaining to Ms. Dugan and Mr. Horne about Ms. Winn. She also claims that she told Mr. Horne that she had opportunities with other campaigns, and could make more money, but Mr. Horne told her he wanted her to stay until November, through the general election. Mr. Horne denies having such a conversation with Ms. Beattie during which she threatened to leave and start work for another campaign, or that he wanted her to stay through the general election.
- Before Ms. Beattie could be transferred, a position for her in Constituent Services had to be created. The work Ms. Beattie was assigned to do in Constituent Services had, before the creation of the paid position for her, been handled by unpaid interns or by Ms. Martinez.
- At the time of her transfer to Constituent Services in late September 2013, Ms. Beattie was given a \$3,000 raise from approx. \$32,000 to approx. \$35,000, which Mr. Horne claims he had given her because it was his practice of helping employees who received low wages. This raise was given to Ms. Beattie despite Ms. Winn's claim about Ms. Beattie's uselessness as an employee.
- Only a month later, Ms. Beattie was given a \$10,000 raise, to a yearly salary of nearly \$45,000, performing work that had previously been performed by unpaid interns or Ms. Martinez. By the time of this raise, the employment of Ms. Beattie in this position at this pay rate was costing the State \$45,000 annualized, because the position had previously been done at no cost to the State by unpaid interns.
- Ms. Beattie claims that the work in Constituent Services was responding to letters and emails from constituents, which she was able to easily handle in a few hours each day, and which did not require much thought and effort, because most of the constituent communications were referred to governmental agencies that could more appropriately address the constituent concerns. During Ms. Beattie's tenure in Constituent Services, the AGO received on the average of only 2 constituent contacts a day. Ms. Beattie claims that she regularly completed her constituent contact work within a few hours or less.
- After Ms. Beattie's resignation in April 2014, her position in Constituent Services was not filled, suggesting that there was no dire need for someone to do the job that Ms. Beattie had been doing.

There are a few points of interest and relevance relating to Mr. Archer as well.

Mr. Archer acknowledged that he had talked to Tom Horne before starting work at the Attorney General's Office. Mr. Archer advised that he had met Mr. Horne sometime in July or August 2013 at Rock Products, and as Archer put it, "we just went over some stuff about his campaign." At the time, according to Mr. Archer, he was not interviewing for a job. Reportedly, Mr. Horne wanted an email vendor, which Mr. Archer was going to recommend, and there was also a conversation about the website. The conversation at Rock Products with Mr. Horne was indeed campaign-related, and he had met with Mr. Horne as "just kind of a favor." Mr. Archer acknowledged that Brett Mecum had asked Mr. Archer to meet with Mr. Horne. When asked in the MCAO interview how Mr. Mecum had facilitated the meeting with Mr. Horne, Mr. Archer's response was as follows.

He just wanted me to come over and he just said, hey Tom wants to do some email stuff and I know you're good with emails, so he wanted to get some advice on it, so I just met with him for that.

While Mr. Horne was not specifically asked about this visit with Mr. Archer at Rock Products, we did have the following exchange during the interview.

Q: And was there ever any point in time that Mr. Mecum came in to you to talk to you about, hey, look, Garrett Archer is available, he can really do marvelous things for the campaign, things along those lines?

A: Absolutely not.

Q: He never touted Mr. Archer?

A: Not for the campaign. He told me that, well, I don't, don't remember this conversation specifically but it was about the job at the Attorney General's Office, that, that Garrett would be a good replacement for Doug, because he had worked in Congress. (p. 42, Exhibit 31)

A review of Mr. Horne's 2014 Campaign Finance Reports (Exhibit 36), and particularly Report ID 121688 (Exhibit 37), filed September 25, 2014 covering the period from November 27, 2012 to December 31, 2013, revealed that on September 2, 2013, the campaign paid Archway Strategic Communications, LLC, the amount of \$700. The Category of the expenditure was "Professional Services – Website/graphic Design," with a Memo of "Email Server Development."

Personnel records reflect that Mr. Archer applied for employment on 8/15/13, he began working on 9/23/13 as a Special Projects Coordinator (his official title), and was promoted to Training Officer III on 12/7/13, at which point he received a raise.

Evidence gathered in the investigation revealed that Mr. Archer's campaign tasks included work on the email server and the campaign website. Before his employment, the campaign had to pay for these services. After Mr. Archer began working the AGO, there was no need, apparently, to pay for these services.

When it was pointed out that the campaign had paid \$700 to Archway, Mr. Archer's consulting business, Mr. Horne acknowledged that this probably occurred, but he could not remember much about the transaction.

Q: A couple of things I just wanted to ask you about. There was a payment made to, in 2014, to Archway Strategic Communications, \$700, Archway being Garrett Archer's business?

A: Garrett Archer, yeah, I think that was for robocalls.

Q: Well, actually the description in the campaign literature was website/graphic design/email server development. That's what the line was on the financial statement.

A: I don't remember that.

Q: Because I, I just want to make sure that I understood, because I thought you said that at some point in time, he was going to do it as a volunteer but then he said he couldn't do it, and that's when Mr. Hood got involved to finish the project, to do the project.

A: Yeah, yeah.

Q: Right?

A: Yes.

Q: Okay. It looks like Garrett Archer was paid some money to do it. At least according to your campaign....

A: Yeah, apparently we paid him for something and, honestly, I just don't remember what it was, you know, two and half years ago. (pp. 54-55, Exhibit 31)

When asked what Mr. Archer actually did for the campaign, Mr. Horne's response was, "Very little, I would say nothing substantial." (p. 21, Exhibit 31) He did say that Mr. Archer's main campaign task was to redo the website, and this was ultimately done by an outside consultant, Don Hood. Further, Mr. Horne indicated that the only sort of analysis that Mr. Archer had done for the campaign was to organize the donor list. This is incorrect – Ms. Dugan indicated that Mr. Archer was also verifying signatures on petitions on more than one occasion, and Ms. Beattie indicated that Mr. Archer was involved with flyers for campaign events as well. We also know

that Mr. Archer removed a photograph of Ms. Rotellini from Mr. Horne's Twitter account for the campaign, after Ms. Dugan had inadvertently placed the photograph on the Twitter page.

Despite Mr. Horne's flat denials that Mr. Mecum, Ms. Beattie and Mr. Archer were brought on board at the AGO because of their fluency and experience with campaigning and politics, which could have been very helpful to Mr. Horne's campaign; and that he had advance knowledge of Ms. Beattie's and Mr. Archer's abilities as campaign consultants, the preponderance of evidence indicates that Ms. Beattie and Mr. Archer were engaged, at least in part, for their political acumen and ability to help the campaign (at no cost to the campaign). Further, whether these individuals engaged in campaign work while on duty is in a sense moot – their compensation for their campaign work was their jobs at the AGO, and as to Ms. Beattie, a transfer and raises after only a short period of employment with the AGO.

C. If employees were engaging in campaign related activities while on State time at State expense, and not strictly as volunteers, did Mr. Horne, as the Treasurer of the Horne 2014 Campaign Committee, fail to properly report their work on the campaign's behalf as in-kind contributions?

Investigative Findings, Allegation C

The RCN and RCN Memo indicate that there was reasonable cause to determine that Tom Horne, as Treasurer of the Tom Horne 2014 Campaign Committee (SOS Filer ID 201200082), had violated provisions of Title 16, Chapter 6, Article 1 of the Arizona Revised Statutes, , specifically A.R.S. §§ 16-904, 16-913 and 16-915.

The July 9, 2014 RCN Memorandum from Christina Estes-Werther, State Election Director, forth specific statutes for which there was reasonable cause to believe had been violated, in connection with the reporting of campaign contributions.

Tom Horne, as treasurer of the above named committee, has violated A.R.S. §§ 16-904, 16-913, and 16-915 and any other statutory provisions relating to the failure to perform a duty as required by law for failing to report campaign contributions. Specifically, the violations relate to the 2014 January 31st campaign finance report and 2014 June 30th campaign finance report....

On May 12, 2014, Tom Ryan, on behalf of Sarah Beattie, filed an Affidavit and Exhibits alleging misuse of state resources. Specifically, Ms. Beattie alleges that Mr. Horne and his Executive Office staff have engaged in campaign activities while being compensated by the State of Arizona in violation of state campaign finance laws.

Pursuant to our jurisdiction under Arizona Revised Statutes, Title 16, Chapter 6, Article 1, our office investigated the matters involving the accurate reporting of political committee campaign contributions and expenses. We do not have

jurisdiction over some of the matters that were raised by Ms. Beattie and this memo and the notice only includes the basis for campaign finance violations, not all of the allegations she submitted to our office....

Volunteering for a political campaign is not considered a campaign contribution. See A.R.S. § 16-901(5)(b)(1). However, Ms. Beattie alleges and the response substantiates, that Executive Office employees at the Attorney General's Office were not volunteering but instead were being compensated by the State of Arizona while conducting campaign activities for Mr. Horne. There has been no evidence submitted by Mr. Horne that supports his claim that the Executive Office implemented or followed state law or the Attorney General Memo to prevent campaign activities from occurring during work hours, which could have provided a viable and meaningful defense to these allegations.

Since the campaign activities are not volunteer hours, they are no longer exempt from the contribution definition. These non-monetary services are in-kind contributions and Mr. Horne has not reported these in-kind contributions in the 2014 January 31st or 2014 June 30th campaign finance reports. Further, acceptance of these types of contributions is unlawful under Title 41 of the Arizona Revised Statutes....

Pursuant to A.R.S. § 16-924, we have determined there is reasonable cause to believe that Mr. Horne, as the treasurer of the above named candidate committee, has violated Arizona's campaign finance statutes by failing to report in-kind contributions for his candidate committee. Further, accepting a state employee's time to work on campaign activities is an illegal contribution that must be investigated further by the appropriate entity. We therefore refer this matter to your office for appropriate enforcement.

Applicability of A.R.S. §§ 16-904, 16-913 and 16-915, Title 16, Article 6, Campaign Contributions and Expenses

A.R.S. § 16-901.5 sets forth that a ‘Contribution’ means “any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election,” but does not include “The value of services provided without compensation by any individual who volunteers on behalf of a candidate, a candidate's campaign committee or any other political committee.”

A.R.S. § 16-901.16 defines an “In-kind contribution” as “a contribution of goods or services or anything of value and not a monetary contribution....”

A.R.S. § 16-904.E sets forth in part the responsibility of the treasurer of a political committee to keep an account of all contributions.

E. The treasurer of a political committee is the custodian of the committee's books and accounts and shall keep an account of all of the following:

1. All contributions or other monies received by or on behalf of the political committee....

A.R.S. § 16-913.A sets forth requirements relating to Campaign finance reports and the reporting of receipts and disbursements.

A. Except as provided in subsection K of this section, each political committee shall file campaign finance reports in the format prescribed by the filing officer setting forth the committee's receipts and disbursements according to the schedule prescribed in subsections B and C of this section.

A.R.S. § 16-915.A sets forth the information that must be included in campaign finance reports, including the value of in-kind contributions.

A. Each campaign finance report required by section 16-913 shall set forth all of the following:

1. The amount of cash on hand at the beginning of the reporting period.
2. For the reporting period and the election, the total amount of all receipts and an itemized list of all receipts in the following categories, together with the total of all receipts in each category:
 - (a) Contributions from individuals....
 - (g) The value of in-kind contributions....

The first question is whether employees engaged in campaign related activities while on duty and being compensated by the State, and the answer, based on a preponderance of evidence, is that members of the 2014 Horne core campaign team were indeed doing so, as discussed in the findings of Allegation A and various Factual Issues. It cannot be determined, with any degree of probability, how much time was spent engaging in campaign related activities on State time, other than to assert that the time was significant and not de minimus or "water cooler talk," as it has been characterized by Mr. Horne.

Even assuming that Mr. Horne would agree (which he has not done) that employees were engaging in campaign activities while on duty, and he, as treasurer of the campaign committee, should report the monetary value of this in-kind contributions to the Secretary of State on the required reports, it is difficult to discern how Mr. Horne or anyone else would come to any reasonable conclusions about the monetary value of such in-kind contributions absent some sort of system (which was not used) in which employees kept track of their State work vis a vis their campaign work while on duty.

The fact that the amount of work time spent on campaigning activities cannot be reasonably calculated does not mean that Title 16 reporting statutes were not violated. However, the commingling of work and campaign activities, while employees were on duty, obscures what hours should have been reported.

D. Did Tom Horne, by hiring political consultants for the primary purpose of furthering his re-election campaign, violate Conflict of Interest statutes by using his position to secure personal benefits that would not ordinarily have accrued to him in his position as Attorney General?

Investigative Findings, Allegation D

Of relevance are one of the statutes relating to Conflict of Interest, concerning the use of official position for personal gain as well as provisions of the AGO Agency Manual, Chapter 8, which discusses the issue of “Improper Use of Office for Personal Gain.”

Applicability of A.R.S. § 38-504.C, Title 38, Article 8, Conflict of Interest of Officers and Employees

38-504. Prohibited acts

C. A public officer or employee shall not use or attempt to use the officer's or employee's official position to secure any valuable thing or valuable benefit for the officer or employee that would not ordinarily accrue to the officer or employee in the performance of the officer's or employee's official duties if the thing or benefit is of such character as to manifest a substantial and improper influence on the officer or employee with respect to the officer's or employee's duties.

Arizona Attorney General's Office Agency Handbook, Chapter 8, “Improper Use of Office for Personal Gain,” 2011 and 2014 editions

What follows are excerpts from Chapter 8 from the 2014 edition, which reads virtually the same as Chapter 8 from the 2011 edition.

8-14 Improper Use of Office for Personal Gain. Public officers and employees are prohibited from using or attempting to use their official position to secure valuable things or benefits for themselves that would not be part of their normal compensation for performing their duties. A.R.S. § 38-504(C). It is a class 4 felony for a public servant to solicit, accept, or agree to accept any benefit upon an understanding that his or her vote, opinion, judgment, or other official action may thereby be influenced. A.R.S. § 13-2602. It is a class 6 felony for a public officer to ask for, or to receive, any unauthorized gratuity or reward or promise of a gratuity or reward for doing an official act. A.R.S. § 38-444. For example, if a member of the Racing Commission offered to support an application for a permit to conduct horse racing in return for a gift of a thoroughbred horse, the commission member would violate the above-referenced criminal laws as well as the conflict of interest laws. A criminal violation of A.R.S. § 38-504(C) requires an action related to the public officer's official duties. *State v. Ross*, 214 Ariz. 280, 285-86, 151 P.3d 1261, 1266-67 (App. 2007) (defendant county assessor's

use of publicly available information from his agency to further his own business purposes did not violate conflict of interest prohibition because it did not involve any action related to his duties as a public officer). (Chapter 8, Arizona Attorney General's Office Agency Handbook,²² Revised 2014)

The potential issue here is whether Mr. Horne used his position as the Attorney General for personal gain, to wit, furtherance of his prospects of re-election by employing persons in the EXO for the purpose or primary purpose of advancing his campaign for re-election, and directing, encouraging or allowing said persons to engage in campaign work while on duty for the AGO in violation of A.R.S. § 41-752.

Put more concisely, the questions here are whether (1) Mr. Horne used or attempt to used his official position, Attorney General, (2) to secure any valuable thing or valuable benefit for himself (3) that would not ordinarily accrue to Mr. Horne in the performance of his duties (4) if the thing or benefit would have a substantial or improper influence on Horne with respect to his duties.

Mr. Horne engaged in the following questionable actions, and accrued certain benefits as a result.

- Virtually the entire core campaign team, short of his paid campaign strategist, Larry Weitzner, was comprised of members of the AGO EXO.
- *The benefit: His campaign was not required to engage paid political consultants for certain campaign activities that would further his re-election prospects.*
- AGO core campaign members could and did perform significant, substantive work in connection with the campaign while on duty at the AGO.
- *The benefit: Mr. Horne's campaign staff was literally at his fingertips at his place of employment. Apart from being available, Mr. Horne had ready access to expertise in the case of some employees serving on his core campaign team.*
- AGO employees who were core campaign members performed significant work for the campaign while off duty, for some pretextually as volunteers.
- *The benefit: Mr. Horne had a captive campaign staff who felt obliged to give assistance to Mr. Horne's campaign.*

It appears that there are two different groups of individuals/employees, who may have been used by Mr. Horne to further his campaign prospects in 2014.

²² Arizona Revised Statute §41-192(A)(8) requires the Attorney General to "compile, publish and distribute to . . . persons and government entities on request, at least every ten years, the Arizona agency handbook." Due to the high cost of publishing, the current version of the Handbook is posted on the Attorney General's Web site to satisfy this statutory requirement. (Revised 2013)

- Political consultants or campaign operatives (e.g., the “Dream Team” composed of Mecum, Beattie and Archer), who were hired to fill various AGO employment positions at least in part for the purpose of working on Mr. Horne’s 2014 campaign for re-election.
- Other employees who were not hired specifically for the purposes of furtherance of Mr. Horne’s 2014 campaign for re-election, but served roles on Mr. Horne’s 2014 campaign team.

The clearest indication of conflict of interest involved Brett Mecum initially, and then Ms. Beattie and Mr. Archer, who appear to have been employed by the AGO on recommendation of Mr. Mecum. A review of the nexus between the statutory components of Conflict of Interest, as expressed in A.R.S. § 38-504.C, and the findings of the investigation is as follows.

(1) *Mr. Horne used or attempt to used his official position, Attorney General,*

- by hiring political consultants to fill various positions in the AGO;

(2) *to secure any valuable thing or valuable benefit for himself*

- experienced political consultants or campaign operatives who his campaign would not be required to compensate for campaign related activities, apart from their pay at the AGO;

(3) *that would not ordinarily accrue to Mr. Horne in the performance of his duties*

- Engaging political consultants whose salaries are paid by the State, for the purpose of furthering his re-election prospects, is a benefit that would not ordinarily accrue to the Attorney General or any elected official;

(4) *if the thing or benefit would have a substantial or improper influence on Horne with respect to his duties.*

- Wasting state funds by employing political consultants; and being beholden to the political consultants because they were pretextually hired to at least in part work on Mr. Horne’s campaign without compensation except for their State paychecks and benefits.

The preponderance of evidence reflects that Mr. Horne did hire Mr. Mecum, Ms. Beattie and Mr. Archer at least in part for the purpose of having experienced political consultants or campaign operatives on his core campaign staff, and their compensation came in the form of AGO job positions, including salary and benefits, paid by the State. As to A.R.S. § 38-504.C, the evidence indicates that, in doing so, Mr. Horne used or attempt to used his official position, Attorney General, to secure a valuable thing or valuable benefit for himself and his campaign that would not ordinarily accrue to him in the performance of his duties, and that this benefit would or could have had a substantial or improper influence on Horne with respect to his duties.

- E. Did Tom Horne, as Treasurer of the 2014 Horne campaign for re-election, fail to properly report in-kind contributions from Rock Products for use of office space for campaign meetings during the 2014 campaign? (Despite the fact that Rock Products was used regularly for campaign meetings and for Mr. Horne to make calls to potential contributors, there was only one payment to Rock Products, in the amount of \$100, and no declaration of in-kind contributions by Rock Products.)**

Investigative Findings, Allegation E

Applicability of A.R.S. §§ 16-904, 16-913 and 16-915, Title 16, Article 6, Campaign Contributions and Expenses

These provisions of Title 16 set forth the statutory requirement that a political campaign accurately report the amounts of contributions, whether monetary or in-kind, to the Secretary of State in prescribed formats.

A.R.S. § 16-901.5 sets forth that a ‘Contribution’ means “any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election,” but does not include “The value of services provided without compensation by any individual who volunteers on behalf of a candidate, a candidate's campaign committee or any other political committee.”

A.R.S. § 16-901.16 defines an “In-kind contribution” as “a contribution of goods or services or anything of value and not a monetary contribution....”

A.R.S. § 16-904.E sets forth in part the responsibility of the treasurer of a political committee to keep an account of all contributions.

E. The treasurer of a political committee is the custodian of the committee's books and accounts and shall keep an account of all of the following:

1. All contributions or other monies received by or on behalf of the political committee....

A.R.S. § 16-913.A sets forth requirements relating to Campaign finance reports and the reporting of receipts and disbursements.

A. Except as provided in subsection K of this section, each political committee shall file campaign finance reports in the format prescribed by the filing officer setting forth the committee's receipts and disbursements according to the schedule prescribed in subsections B and C of this section.

A.R.S. § 16-915.A sets forth the information that must be included in campaign finance reports, including the value of in-kind contributions.

A. Each campaign finance report required by section 16-913 shall set forth all of the following:

1. The amount of cash on hand at the beginning of the reporting period.
2. For the reporting period and the election, the total amount of all receipts and an itemized list of all receipts in the following categories, together with the total of all receipts in each category:
 - (a) Contributions from individuals....
 - (g) The value of in-kind contributions....

As discussed in Factual Issue 27, the only reference to Rock Products in any campaign reports filed by the Horne 2014 campaign in 2013 or 2014 was a \$100 cash payment on 4/12/13 for "Use of Space and Phone." There was no record of an in-kind contribution by Rock Products, such as free rent at the facility, which was reportedly used as a meeting space for campaign purposes or as campaign headquarters of the Horne 2014 campaign.

When asked about the arrangements that were made with Steve Trussell to use Rock Products, Mr. Horne said that he paid Rock Products \$100, and reported it as such on the campaign reports. As to the amount, \$100, Mr. Horne claimed that he talked to Mr. Trussell about the amount, and whether he should pay more, and Trussell said that he talked to the Board about it, and they were satisfied, because the offices could only be used by the campaign when they were open, and the campaign was not entitled to any particular space at Rock Products. According to Mr. Horne, typically they used a conference room, but if the conference room was unavailable, there were other rooms or offices that were used.

While the precise number of meetings held there was not determined, Mr. Trussell, the Executive Director, indicated that "many" campaign meetings were held there, and Mr. Horne also visited Rock Products for the purpose of making calls to donors, sometimes in the presence of Ms. Beattie.

Clearly, given the many occasions that Rock Products was used for campaign meetings, which were held, according to Mr. Horne, twice a month, as well as visits by Mr. Horne for the purposes of making calls to donors, the campaign had under-reported the fair market value of the in-kind contribution of space by Rock Products for use by the campaign.

Research (see Exhibit 33) reflects that meeting room space at Phoenix area hotels ranges from \$75 to over \$1000 for half day rental of a conference/meeting room, depending upon the location, and at commercial office buildings, the hourly price ranges from a low of \$50 to significantly higher amounts. Given these figures, it would appear that there was an in-kind contribution by Rock Products for donation of space (over and above the \$100 payment made by the campaign for the entire campaign season), that was not reported by the Horne campaign.

END OF REPORT