

**STATE OF ARIZONA**  
**CITIZENS CLEAN ELECTIONS COMMISSION**  
MUR: No. 16-005 DEMOCRATIC CANDIDATES  
STATEMENT OF REASONS BY EXECUTIVE DIRECTOR

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On behalf of the Citizens Clean Elections Commission (“Commission”), the Executive Director hereby provides the Statement of Reasons showing there is no reason to believe that violations of the Citizens Clean Elections Act and/or the Commission rules (collectively, the “Act”) may have occurred.

**I. Procedural Background**

On October 7, 2016, Constantin Querard (“Complainant”) filed a complaint (“Complaint”) against eight Democratic candidates, Athena Salman, Steven Weichert, Jennifer Pawlik, Deanna Rasmussen- Lacotta, Carmen Casillas, Elizabeth Brown, Tom Chabin and, Bill Mundell (“Respondents”), alleging the Respondents violated Arizona’s campaign finance laws by paying the Arizona Democratic Party without identifying the services they were provided in return (**Exhibit A**). All Respondents are participating candidates. On October 11, 2016, Commission staff requested responses from all Respondents and sought information regarding specific expenditures on the Respondents’ campaign finance reports. On October 27, 2016, Respondents submitted separate Responses to the Complaint (**Exhibit B**). Complainant submitted supplemental information on November 15, 2016 (**Exhibit C**). Additionally, on September 15, 2016, Respondents Mundell, Rasmussen-Lacotta, and Salman were selected for random audits of the primary election campaign finance activity. Commission staff requested the auditors include in the audit process the expenditures at issue in this enforcement matter. The final audit reports are included as **Exhibit D**.

**II. Alleged Violations and Analysis**

**A. Failure to make expenditures for direct campaign purposes**

A.R.S. § 16-948 and Commission Rule R2-20-702(A) require candidates to utilize Clean Elections funding for direct campaign expenditures only. Complainant alleges the expenditures to the Arizona Democratic Party for coordinated campaigns, buy-ins, and consulting services violate the Act and Rules. Complainant believes “these campaigns transferred Clean Elections funding to the Arizona Democratic Party without receiving anything remotely approaching equal value in return.” Complainant states, that as a “consultant and provider of product” he understands the price ranges for consulting and training. He states he charges \$275 per month for legislative races but that “other firms might charge \$500 or more on a monthly basis.” He believes the amounts paid by Respondents, which “range from \$3,300 to \$29,750,” are “highly unusual.” Complainant also states that with the timing of the expenditures he does not believe it was possible to consume services for the payment amounts made to the Party. Complainant notes each candidate paid the Party for consulting services but doubts the services received merit the amount paid. Ultimately, he believes the fees paid to the Party were “obviously...used to fund party activities quite separate from the actual campaigns of the Clean Elections candidates.”

Respondents provided separate Responses to the Complaint and inquiry for information regarding expenditures. A spreadsheet detailing the expenditures, responses, and audit findings is attached as **Exhibit E**. Respondents Mundell, Rasmussen-Lacotta, and Salman were not asked to respond to specific expenditures because the expenditures were included as part of their primary election audits by an independent auditing agency. All other Respondents, in their Responses identified in detail the expenditures at issue and stated they were direct campaign expenditures. Each Respondent stated they received “general consulting services” through the “coordinated campaign program.” Those general consulting services included “volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting.” The Declaration of Sheila Healy, Executive Director of the Arizona Democratic

Party, which is attached to each Response, states that candidates who choose to participate in the coordinated campaign are required to pay a “buy-in fee.” The candidate is then entitled to consulting services as well as services such as phone calls, door knocks, and volunteer recruitment.

Neither the Act nor Commission Rules prohibit political parties from acting as vendors to candidates. Indeed, as noted in Complainant’s Complaint in MUR-004, he concedes as much. Despite Complainant’s continued post-complaint theorizing, see Exhibit C, the Act and Rules here are quite simple. Arizona Administrative Code Section R2-20-702(A) provides that participating candidates “shall use funds in the candidate’s current campaign account to pay for goods and services for direct campaign purposes only.” The rule specifically *allows* the payment “from a campaign account to a political committee or civic organization . . . if the payment is reasonable in relation to the value received.” Ariz. Admin. Code. § R2-20-702(B). The legal question before the Commission is whether there is reason to believe the value of services received was so unreasonable as to not be a direct campaign expenditure. In view of the reports provided to, and the supplement audit questions asked by, the Commission staff, there is no reason to believe the value was unreasonable. The mere fact that Complainant would have ascribed different values to different services and offered different services than those that were provided, is not sufficient to raise a question of the value paid by the Respondents.

Similarly, Complainant’s claim that the vendors for the value paid to the Democratic Party were not revealed is not correct. The responses indicate that the vendor was the Democratic Party.

Finally, nothing in the Commission’s rules provides that Clean Elections funds be used “exclusively for the benefit of the candidate(s) paying the expenses.” Complaint at 1. Rather, the

Commission's rules provide that campaign expenses must be direct and expenses to organizations like the party must be reasonable.

So long as candidates can provide documentation and proof that the expenditures were for direct campaign purposes, the expenditures are not prohibited. Candidates are permitted to make primary election expenditures through the end of the Primary Election day.<sup>1</sup>

Complainant's supplemental materials provide his own theory as to how a campaign could operate. As such they do not provide "reason to believe" a violation occurred, but rather the Complainant's suggestion that certain Commission rules may be abused is appropriate for consideration in rulemaking as the Commission has already indicated in the Legislative Agenda the Commission approved in December. It is not an appropriate basis for enforcement.

Therefore, there is no reason to believe a violation of A.R.S. § 16-948 and R2-20-702(A) occurred.

#### **B. Failure to pay for proportionate share of joint expenditures**

Commission Rule R2-20-110(A)(4) defines a joint expenditure as an expenditure that is made "when two or more candidates agree to share the cost of goods or services. Accordingly, the Rule requires candidates to report expenditures made in conjunction with other candidates and for each candidate to pay his or her proportionate share of the expenditure. However, the rule expressly requires an agreement by two or more candidates.

Complainant essentially alleges the "coordinated campaign" or "buy-in" campaign that the Arizona Democratic Party offered to Respondents should be a "joint expenditure."

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<sup>1</sup> Note: As in MUR 16-004, the Executive Director accepted Complainant's Supplemental materials despite no rule permitting them. The Executive Director did not order a response from Respondents. Staff will likely develop a process for handling supplemental complaints. Rolling complaints, or expanding arguments such as those made by Complainant in Exhibit C, while consistent with permitting public comment, at some point risks the fairness of the process to the Respondent. Respondents in this case were subject to requests for information and, in some cases, additional auditing, based on Complainant's initial filing. The proceeding is not adversarial between the Complainant and the Respondent, but for the Commission to resolve. Limitations on surreplies and other attempts at providing rolling complaints may be necessary to prevent abuse and preserve fairness.

Complainant believes that because Respondents Mundell and Chabin ran as a “team” they should have identical shared expenses for consulting at the same time. Complainant also points out that each Respondent paid different amounts to the Party. He believes if it was a “coordinated campaign” they should have paid the same amounts, for example. However, each Respondent stated in his or her sworn Declaration that the “coordinated campaign” expenditures were not joint expenditures. Sheila Healy also states in her Declaration that the amount of the “buy-in” is negotiated with each campaign based on the value of the Party’s consulting services.

Several of the expenditures to the Party were for access to the Party’s voter file. On April 8, 2016, the Arizona Democratic Party provided Commission staff with the Voter File Pricing Sheet (**Exhibit F**). As the sheet indicates, candidates can choose which services they would like to purchase and the amounts of those services. Since each Respondents’ campaign separately negotiated with the vendor the “buy-in” amount for the coordinated campaign and there is no evidence of an agreement between two or more candidates, there is no reason to believe a violation of R2-20-110(A)(4) occurred.

### **III. Investigation After Reason to Believe Finding**

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

After the Commission finds reason to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred, the Commission shall conduct an investigation. A.A.C. R2-20-209(A). The Commission may authorize the Executive Director to subpoena all of the Respondent's records documenting disbursements, debts, or obligations to the present, and may authorize an audit.

After fourteen (14) days and upon completion of the investigation, the Executive Director will recommend whether the Commission should find probable cause to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred. A.A.C. R2-20-214(A). Upon a finding of probable cause that the alleged violator remains out of compliance, by an affirmative vote of at least three (3) of its members, the Commission may issue of an order and assess civil penalties pursuant to A.R.S. § 16-957(B). A.A.C. R2-20-217. The Commission may order the repayment of funds expended in violation of A.A.C. R2-20-702. A.A.C. R2-20-704(B).

Dated this 17<sup>th</sup> day of January, 2017.

By: s/Thomas M. Collins  
Thomas M. Collins, Executive Director

# EXHIBIT A

Arizona Clean Elections Commission

October 7<sup>th</sup>, 2016

\*16 OCT 7 AM 10:47 CCEC

To Whom It May Concern,

I am in receipt of the Hammond campaign's response and it raises a number of additional concerns regarding campaign finance violations.

1. There is still no detail on what services the Arizona Democratic Party provided as the venter in this case, except the Hammond campaign now claims that the expense was definitely NOT what they themselves advertised. That fails to answer the question. Moreover, they say they have added yet another \$6,000 in similar payments to the Arizona Democratic Party which must now also be properly documented.
2. The response triggered my curiosity and I took a cursory look at several other Democrats running with Clean Elections funding, and it turns out this is actually part of a pattern of behavior common among Democrats running "Clean". While many Democrats had the usual payments of \$600-800 (presumably for data), a large number paid thousands or tens of thousands of dollars to the Arizona Democratic Party without providing detail for what services they were receiving in return. Accordingly, I would ask that the Clean Elections Commission expand its inquiry to include the campaigns of:
  - a. Salman for House
  - b. Weichert for AZ Senate
  - c. Jennifer Pawlik for AZ
  - d. Deanna for District 21
  - e. Carmen Casillas for State House
  - f. Elizabeth Brown for Senate
  - g. Tom Chabin Campaign for Corporation Commission
  - h. Bill Mundell for Corporation Commission

Their payments range from \$3,300 up to \$29,750, and most of these payments are highly unusual. Many occurred very late in the primary period where the requirement is that the entire amount is consumed for primary expenses only. Elizabeth Brown for Senate has an admittedly uphill race in LD12, yet her decision to outsource the majority of her campaign to the Arizona Democratic Party is very unusual (\$12,406.71 of \$14,010.42 as of her latest finance report was paid to the ADP).

As before, CCEC and the voters of Arizona are entitled to know who the actual vendors are, what the actual expenses are, when they were made, were primary expenses actually for the primary campaign, and were these funds used exclusively for the benefit of the candidate(s) paying the expenses?

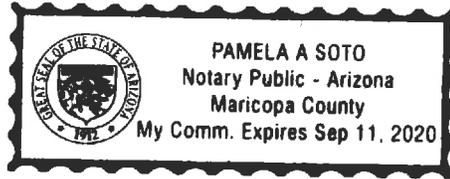
Thank you for your time and persistence.

Thank you,



Constantin Querard  
330 E Thomas Rd  
Phoenix, AZ 85012

State of Arizona )  
  )  
County of Maricopa )



Subscribed and sworn (or affirmed) before me this 7<sup>th</sup> day of October, 2016.

  
\_\_\_\_\_  
NOTARY PUBLIC

# EXHIBIT B

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Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleaselections.gov  
CC: Sara.Larsen@azcleaselections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Wiechert for AZ Senate Committee (“Committee”). This letter serves as the Committee’s response to the complaint and request for documentation issued by the Citizens Clean Elections Commission (“CCEC or Commission”).

## **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for five expenditures including: “Professional services- voter list,” “Professional services – consulting” “Rent and utilities” “Rent and utilities” and “Autodialer- September.”

## **Consulting, Rent, and Equipment Usage are All Direct Campaign Expenses**

The Commission seeks further information on five listed expenditures. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

First, the 7/9/16 charge of \$650.00 for “voter list” was the Committee’s expenditure for access to the Party’s VAN database. *See Exhibit 1, VAN Receipt*. This payment was made in installments allowed, under Rule R2-20-109(C)(2)(a), without any extension. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Second, the 8/24 charge for “consulting, coordinated campaign buy-in” was paid to the Party for general consulting services performed by the Party and Party employees including volunteer training, field organization, and campaign management and consulting services. *See Exhibit 2, Weichert Declaration; Exhibit 3, Healy Declaration*. The consulting expenditure was

not a joint expenditure under the Commission's Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event. Furthermore, the payment represents a partial reimbursement of consulting services rendered by the Party during the primary election.

Third and fourth, the "Rent and Utilities" charges on 8/1 for \$575.69 and 8/28 for \$862.00 are installment payments for the Committee's use of an MCDP office. *Id.* Installment payments, such as payments for rent are permitted under Rule R2-20-109(C)(2)(c), and may be reported when actually paid or when due. *See Exhibit 4.*<sup>1</sup>

Fifth, the 9/1 charge for "Auto-dialer-September" was for use of the ADP's equipment and software to make computer assisted live telephone calls. *See Exhibit 5.*

The Commission's Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services, equipment, and rent office space as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

#### **Not In-Kind Contributions**

The Committee's partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as 'in-kind' contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. "The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . ." A.R.S § 16-901(5)(b)(v).

#### **Conclusion**

Given the enclosed explanation of the requested expenditures, including documentation supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

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<sup>1</sup> Jennifer Pawlik for AZ Committee overpaid on its 7/28 monthly rent payment, \$1030.00. As provided on page two of Exhibit 4, the Weichert for AZ Senate Committee reimbursed Jennifer Pawlik for AZ Committee, \$227.15. Thus both Committees paid \$802.15 for that month.

Sincerely,

*James E. Barton II*

James E. Barton II

*Counsel for Committee*

State of Arizona )

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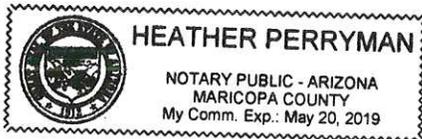
County of Maricopa )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II.

(seal)

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1

# Payment Receipt

**Arizona Democratic Party**  
**2910 N Central Ave**  
**Phoenix, AZ 85012**

**Received From:**

Steve Weichert  
Weichert for AZ Senate  
Steve Weichert

<b>Date Received</b>	01/29/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	313	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Steve Weichert  
Weichert for AZ Senate  
Steve Weichert

<b>Date Received</b>	04/29/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	313	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Steve Weichert  
Weichert for AZ Senate  
Steve Weichert

<b>Date Received</b>	05/02/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	313	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Steve Weichert  
Weichert for AZ Senate  
Steve Weichert

<b>Date Received</b>	07/11/2016	<b>Payment Amount</b>	\$650.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	313	-\$650.00

# EXHIBIT 2



# EXHIBIT 3

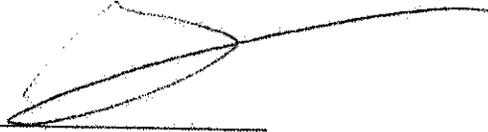
## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
Sheila Healy

# EXHIBIT 4



Front

Back



Weichert for AZ Senate  
3524 S. Hudson Pl.  
Chandler AZ 85286

0999

91-17011221 AZ  
30237

DATE July 29, 2016

PAY TO THE ORDER OF Maricopa County Democratic Party \$ 575.69  
five hundred seventy five dollars and 69/100

Security Features include on Back

Bank of America

FOR Office Rent/Utilities

AT&T R. Utter

⑆000999⑆ ⑆122101706⑆ 457029904646⑆

Check 999



Front

Back



**WEICHERT FOR AZ SENATE**

3524 S HUDSON PL  
CHANDLER, AZ 85286-2540

1004

91-170/1721 AZ  
37226

DATE 8/10/2016

PAY TO THE ORDER OF Jennifer Pawlik for AZ

two hundred twenty seven dollars and 00/100 \$ 227.15 DOLLARS

Security  
Details on  
Back



ACH REF 122101706

FOR Reimbursement Fund/Utilities Aug Stark Wilson MP

⑆001004⑆ ⑆122101706⑆ 457029904646⑆

Check 1004



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**WEICHERT FOR AZ SENATE**

3524 S HUDSON PL  
CHANDLER, AZ 85286-2540

1008

91-170/1221 AZ  
32226

DATE 8/28/2016

PAY TO THE ORDER OF Maricopa County Democratic Party \$ 862.00  
eight hundred sixty two dollars and 00/100

Security Features: Date & Time Rec.

DOLLARS



ACH RT 122101706

FOR Steve R. Weichert

⑆001008⑆ ⑆122101706⑆ 457029904646⑆

Check 1008

# EXHIBIT 5



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**WEICHERT FOR AZ SENATE**

3524 S HUDSON PL  
CHANDLER, AZ 85286-2540

1010

91-1701221 AZ  
32226

DATE Sept 1, 2016

PAY TO THE ORDER OF Maricopa County Democratic Party \$ 375.00  
three hundred seventy five dollars and no/100 DOLLARS

Security  
Deposit or  
Bond



ACH RT 122101706

FOR Auto Dialer (Sept)

Stark. Turner MP

⑈001010⑈ ⑆122101706⑆ 457029904646⑈

Check 1010

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleanelections.gov  
CC: Sara.Larsen@azcleanelections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Salman for House Committee (“Committee”). This letter serves as the Committee’s response to the complaint and request for documentation issued by the Citizens Clean Elections Commission (“CCEC or Commission”).

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for unnamed expenditures to the Arizona Democratic Party, but because the Committee was already under random Audit, CCEC directed the auditors to request more information. Here, the Committee responds to the general inquiry of the October 11 letter.

### **Expenditures to ADP are All Direct Campaign Expenses**

The Commission seeks further information on expenditures to ADP generally. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

Any expenditures for “voter list/VAN” were made to the Party for access to voter information via VAN. If this payment was made in installments allowed, under Rule R2-20-109(C)(2)(a), then it did not result in any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Any expenditures for “consulting” “organizing” or “coordinated campaign buy in” paid to the Party, were for access to general consulting services performed by the Party and Party employees including, field organization and general campaign consulting. *See Exhibit 1, Salman Declaration; Exhibit 2, Healy Declaration.* Any consulting expenditure made was not a joint expenditure under the Commission’s Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

The Commission’s Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

### **Not In-Kind Contributions**

The Committee’s partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as ‘in-kind’ contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. “The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . .” A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including a declaration supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

James E. Barton II

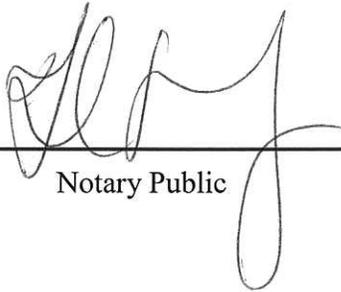
*Counsel for Committee*

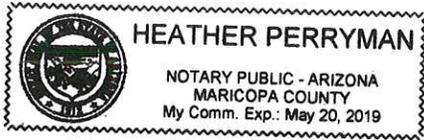
State of Arizona     )  
  )  
County of Maricopa    )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II.

(seal)

  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1

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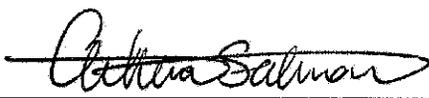
**DECLARATION OF ATHENA SALMAN**

Athena Salman declares:

1. I am over the age of 18 and competent to provide the testimony in this declaration based on personal knowledge.
2. I am the Democratic Party's candidate for the Arizona House of Representatives in Legislative District 26.
3. I am a Participating Candidate in the Clean Elections Program.
4. The Arizona Democratic Party provided general consulting services to my campaign via the coordinated campaign program.
5. My campaign paid for access to general consulting services including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting.
6. The consulting expenditure for the coordinated campaign was not a joint expenditure.
7. The Democratic Party was the vendor for these services.
8. These expenditures were for direct campaign purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 25 day of October, 2016

By:   
Athena Salman

# EXHIBIT 2

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
Sheila Healy

---

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleelections.gov  
CC: Sara.Larsen@azcleelections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Bill Mundell for Corporation Commission Committee (“Committee”). This letter serves as the Committee’s response to the complaint and request for documentation issued by the Citizens Clean Elections Commission (“CCEC” or “Commission”).

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for unnamed expenditures to the Arizona Democratic Party, but because the Committee was already under random Audit, CCEC directed the auditors to request more information. Here, the Committee responds to the general inquiry of the October 11 letter.

### **Expenditures to ADP are All Direct Campaign Expenses**

The Commission seeks further information on expenditures to ADP generally. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

Any expenditures for “voter list/VAN” were made to the Party for access to voter information via VAN. If this payment was made in installments allowed, under Rule R2-20-109(C)(2)(a), then it did not result in any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Any expenditures for “consulting” “organizing” or “coordinated campaign buy in” paid to the Party, were for access to general consulting services performed by the Party and Party

Any expenditures for “consulting” “organizing” or “coordinated campaign buy in” paid to the Party, were for access to general consulting services performed by the Party and Party employees including, field organization and general campaign consulting. *See Exhibit 1, Mundell Declaration; Exhibit 2, Healy Declaration.* Any consulting expenditure made was not a joint expenditure under the Commission’s Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

The Commission’s Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

### **Not In-Kind Contributions**

The Committee’s partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as ‘in-kind’ contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. “The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . .” A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including a declaration supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

*James E. Barton II*

James E. Barton II

*Counsel for Committee*

State of Arizona )

)

County of Maricopa )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II

(seal)

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1

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**DECLARATION OF BILL MUNDELL**

Bill Mundell declares:

- 1. I am over the age of 18 and competent to provide the testimony in this declaration based on personal knowledge.
- 2. I am the Democratic Party's candidate for the Arizona Corporation Commission.
- 3. I am a Participating Candidate in the Clean Elections Program.
- 4. The Arizona Democratic Party provided general consulting services to my campaign via the coordinated campaign program.
- 5. My campaign paid for access to general consulting services including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting.
- 6. The consulting expenditure for the coordinated campaign was not a joint expenditure.
- 7. The Democratic Party was the vendor for these services.
- 8. These expenditures were for direct campaign purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 25<sup>th</sup> day of October, 2016

By: *William C. Mundell*  
Bill Mundell

# EXHIBIT 2

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
\_\_\_\_\_  
Sheila Healy

---

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleaselections.gov  
CC: Sara.Larsen@azcleaselections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Carmen Casillas for State House Committee ("Committee"). This letter serves as the Committee's response to the complaint and request for documentation issued by the Citizens Clean Elections Commission ("CCEC or Commission").

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for four expenditures including: "Professional services- voter list, VAN" "Joint Campaign" "VAN- balance due" and "Campaign photo shoot."

### **Consulting, VAN Access and Photography are All Direct Campaign Expenses**

The Commission seeks further information on four listed expenditures. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

First, the 7/7/16 charge of \$50.00 and the 8/24 charge of \$650.00 for Voter List, VAN and VAN balance due was the Committee's expenditure for access to the Party's VAN database of voter information.<sup>1</sup> Payment for VAN access was made installments as permitted under Rule R2-20-109(C)(2)(a). See *Exhibit 1, VAN Receipts*. This payment was made in installments

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<sup>1</sup> The CCEC Request for Documentation and Notice of Complaint listed this charge as \$100.00; the campaign finance report lists the charge as \$50.00.

allowed, under Rule R2-20-109(C), without any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Second, the 8/24 charge of \$6,000.00 with the description "Joint Campaign" was paid to the Party for access to general consulting services performed by the Party and Party employees including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. *See Exhibit 2, Casillas Declaration; Exhibit 3, Healy Declaration.* The consulting expenditure was not a joint expenditure under the Commission's Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

Last, the 8/30 charge for "campaign photo shoot" was paid to the Party for a campaign photography session. This was a direct campaign expense.

The Commission's Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services and photography services as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

#### **Not In-Kind Contributions**

The Committee's partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as 'in-kind' contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. "The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . ." A.R.S § 16-901(5)(b)(v).

#### **Conclusion**

Given the enclosed explanation of the requested expenditures, including documentation supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

*James E. Barton II*

James E. Barton II  
*Counsel for Committee*

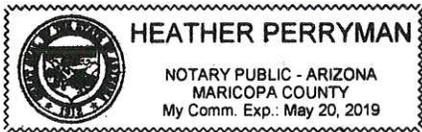
State of Arizona     )  
                                  )  
County of Maricopa    )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II.

(seal)

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Carmen Casillas  
Carmen Casillas for State House  
Carmen Casillas

<b>Date Received</b>	02/11/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
08/19/2015	244	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Carmen Casillas  
Carmen Casillas for State House  
Carmen Casillas

<b>Date Received</b>	05/05/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
08/19/2015	244	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Carmen Casillas  
Carmen Casillas for State House  
Carmen Casillas

<b>Date Received</b>	07/07/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
08/19/2015	244	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Carmen Casillas  
Carmen Casillas for State House  
Carmen Casillas

<b>Date Received</b>	08/26/2016	<b>Payment Amount</b>	\$650.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
08/19/2015	244	-\$650.00

# EXHIBIT 2

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DECLARATION OF CARMEN CASILLAS

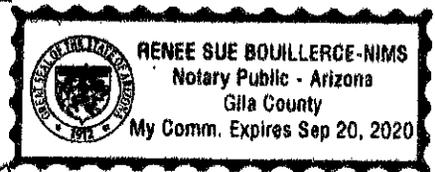
Under Arizona Rules of Civil Procedure 80(i), Carmen Casillas declares:

1. I am over the age of 18 and competent to provide the testimony in this declaration.
2. I am the Democratic Party's candidate for the Arizona House of Representatives in Legislative District 8.
3. I am a Participating Candidate in the Clean Elections Program.
4. The Arizona Democratic Party provided general consulting services to my campaign as a part of what the Party calls the "coordinated campaign."
5. My campaign paid \$6,000 for these general consulting services including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting.
6. The consulting expenditure was not a joint expenditure.
7. The Democratic Party was the vendor for these consulting services.
8. This expenditure was for direct campaign purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 25<sup>th</sup> day of October, 2016

By: Carmen L. Casillas  
Carmen Casillas



Renee Sue Boullerc-Nims  
 Notary Exp: Sep. 20<sup>th</sup> 2020  
 County: Gila

# EXHIBIT 3

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
\_\_\_\_\_  
Sheila Healy

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleaselections.gov  
CC: Sara.Larsen@azcleaselections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Deanna for District 21 Committee ("Committee"). This letter serves as the Committee's response to the complaint and request for documentation issued by the Citizens Clean Elections Commission ("CCEC or Commission").

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, 2016 the CCEC requested documentation for unnamed expenditures to the Arizona Democratic Party, but because the Committee was already under random Audit, CCEC directed the auditors to request more information. Here, the Committee responds to CCEC's general inquiry in the October 11, 2016 letter.

### **Expenditures to ADP are All Direct Campaign Expenses**

The Commission seeks further information on expenditures to ADP generally. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

Any expenditures for "voter list/VAN" were made to the Party for access to voter information via VAN. If this payment was made in installments allowed, under Rule R2-20-109(C)(2)(a), then it did not result in any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Any expenditures for “consulting” “organizing” or “coordinated campaign buy in” paid to the Party, were for access to general consulting services performed by the Party and Party employees including, field organization and general campaign consulting. *See Exhibit 1, Rasmussen-Lacotta Declaration; Exhibit 2, Healy Declaration.* Any consulting expenditure made was not a joint expenditure under the Commission’s Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

The Commission’s Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

### **Not In-Kind Contributions**

The Committee’s partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as ‘in-kind’ contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. “The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . .” A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including a declaration supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

*James E. Barton II*  
James E. Barton II  
*Counsel for Committee*

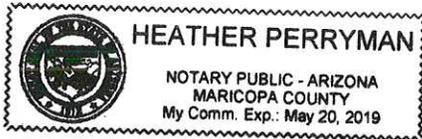
State of Arizona     )  
                                  )  
County of Maricopa   )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II.

(seal)

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1



# EXHIBIT 2

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
Sheila Healy

---

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleaselections.gov  
CC: Sara.Larsen@azcleaselections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Elizabeth Brown for Senate Committee ("Committee"). This letter serves as the Committee's response to the complaint and request for documentation issued by the Citizens Clean Elections Commission ("CCEC or Commission").

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for four expenditures including: "Voter List, VAN" and "Miscellaneous."

### **Consulting, Rent, and Equipment Usage are All Direct Campaign Expenses**

The Commission seeks further information on four listed expenditures. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

First, the 6/9/16 charge of \$50.00, 7/5/16 charge of \$50.00 and 9/7/16 charge of \$306.71, for "Voter List, VAN" were the Committee's expenditures for access to the Party's VAN database. This was paid in installments as permitted under Rule R2-20-109(C)(2)(a). *See Exhibit 1, VAN Receipt*. This payment was made in installments allowed, under Rule R2-20-109(C), without any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Second, the 9/8 charge for "miscellaneous" was paid to the Party for access to general consulting services performed by the Party and Party employees including volunteer training,

field organization, campaign finance advice, media consulting and campaign consulting. *See Exhibit 2, Brown Declaration; Exhibit 3, Healy Declaration.* The consulting expenditure was not a joint expenditure under the Commission's Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

The Commission's Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services as a candidate would any other direct vendor does not run afoul of Rule R2-20702.

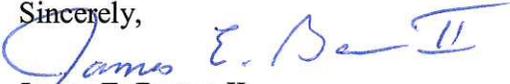
### **Not In-Kind Contributions**

The Committee's partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as 'in-kind' contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. "The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . ." A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including a declaration supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

  
James E. Barton II

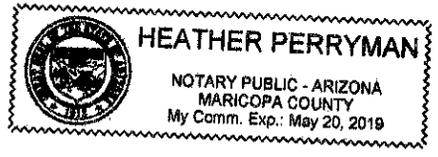
*Counsel for Committee*

State of Arizona     )  
                                  )  
County of Maricopa    )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II

(seal)



  
\_\_\_\_\_  
Notary Public

# EXHIBIT 1

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	04/08/2016	<b>Payment Amount</b>	\$80.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$80.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	04/29/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	06/03/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	07/11/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	08/10/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

<b>Date Received</b>	08/22/2016	<b>Payment Amount</b>	\$213.29
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$213.29

# Payment Receipt

**Arizona Democratic Party**  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Elizabeth Brown  
Elizabeth Brown for Senate  
Elizabeth Brown

**Date Received** 09/06/2016

**Payment Amount** \$306.71

**Payment Method** Check

**Check/Ref. No.**

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/25/2016	335	-\$306.71

# EXHIBIT 2

## DECLARATION OF ELIZABETH BROWN

Elizabeth Brown declares:

1. I am over the age of 18 and competent to provide the testimony in this declaration based on personal knowledge.
2. I am the Democratic Party's candidate for the Arizona Senate in Legislative District 12.
3. I am a Participating Candidate in the Clean Elections Program.
4. The Arizona Democratic Party provided general consulting services to my campaign via the coordinated campaign.
5. My campaign paid \$12,000 for access to these general consulting services including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting.
6. The consulting expenditure for the coordinated campaign was not a joint expenditure.
7. The Democratic Party was the vendor for these consulting services.
8. The 6/9/16 charge of \$50.00, 7/5/16 charge of \$50.00 and 9/7/16 charge of \$306.71, for "Voter List, VAN" were the Committee's expenditures for access to the Party's VAN database.
9. These expenditures were for direct campaign purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 25 day of October 2016

By Elizabeth Brown  
Elizabeth Brown

# EXHIBIT 3

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
Sheila Healy

---

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleanelections.gov  
CC: Sara.Larsen@azcleanelections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Jennifer Pawlik for AZ Committee (“Committee”). This letter serves as the Committee’s response to the complaint and request for documentation issued by the Citizens Clean Elections Commission (“CCEC or Commission”).

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for five expenditures including: “Professional services- voter list, VAN” “Professional services – consulting” “Rent-Buy-in” “Rent and utilities” and “Autodialer-September.”

### **Consulting, Rent, and Equipment Usage are All Direct Campaign Expenses**

The Commission seeks further information on five listed expenditures. These expenditures were for direct campaign purposes permitted under Rule R2-20-702. All were payments to the Party as direct vendor for standard campaign goods and services.

First, the 6/16/16 charge of \$100.00 for “Voter List, VAN” was the Committee’s expenditure for access to the Party’s VAN database. This was one installment payment for VAN Access, as permitted under Rule R2-20-109(C)(2)(a). *See Exhibit 1, VAN Receipt.* This payment was made in installments allowed, under Rule R2-20-109(C), without any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

Second, the 8/19 charge of \$2,500.00 for “Consultants” was paid to the Party for general consulting services performed by the Party and Party employees including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. *See Exhibit 2, Pawlik Declaration; Exhibit 3, Healy Declaration.* The consulting expenditure was not a joint expenditure under the Commission’s Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

Third and fourth, the “Rent- buy in” and “Rent” charges on 7/28 for \$1,030.00 and 8/28 for \$862.00 are installment payments for the Committee’s use of an MCDP Office. *Id.* Installment payments, such as payments for rent are permitted under Rule R2-20-109(C)(2)(c), and may be reported when actually paid or when due. *See Exhibit 4.*<sup>1</sup>

Fifth, the 9/6 charge of \$375.00 for “Auto-dialer-September” was for use of ADP’s equipment and software to make computer assisted live telephone calls. *See Exhibit 5.*

The Commission’s Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services, equipment, and rent office space as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

### **Not In-Kind Contributions**

The Committee’s partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as ‘in-kind’ contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. “The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . .” A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including documentation supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

---

<sup>1</sup> The Committee overpaid on its 7/28 monthly rent payment, \$1030.00. As provided on page two of Exhibit 4, the Weichert for AZ Senate Committee reimbursed Jennifer Pawlik for AZ Committee, \$227.15. Thus both Committees paid \$802.15 for that month. Note, the memo line on the 7/28 rent check is incorrect. Actual purpose of check was rent payment as affirmed under penalty of perjury in the attached declaration.

Sincerely,

*James E. Barton II*  
James E. Barton II  
*Counsel for Committee*

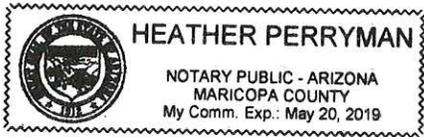
State of Arizona     )  
                                  )  
County of Maricopa   )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by JEB II

(seal)

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public



# EXHIBIT 1

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Jennifer Pawlik  
Jennifer Pawlik for State House

<b>Date Received</b>	01/29/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	314	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Jennifer Pawlik  
Jennifer Pawlik for State House

<b>Date Received</b>	04/25/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	314	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Jennifer Pawlik  
Jennifer Pawlik for State House

<b>Date Received</b>	06/09/2016	<b>Payment Amount</b>	\$100.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	314	-\$100.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Jennifer Pawlik  
Jennifer Pawlik for State House

<b>Date Received</b>	06/22/2016	<b>Payment Amount</b>	\$600.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
01/29/2016	314	-\$600.00

# EXHIBIT 2



# EXHIBIT 3

## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
Sheila Healy

# EXHIBIT 4

JENNIFER PAWLAK FOR AZ  
PO BOX 2405  
CHANDLER, AZ 85224

1005

11-9221121

July 28, 2016

Pay to the Order of *Maricopa County Democratic Party* \$ *1030.00*

*One Thousand Thirty and 00/100*



For *Buy-In 2016*

*Jennifer Pawlak*

11-2218723615 788681151811 1005



Front

Back



**WEICHERT FOR AZ SENATE**

3524 S HUDSON PL.  
CHANDLER, AZ 85286-2540

1004

91-1701721 AZ  
32226

DATE 8/10/2016

PAY TO THE ORDER OF Jennifer Pawlik for AZ

two hundred twenty seven dollars and 10/100 \$ 227.15 DOLLARS 



ACH RT 122101706

FOR Reimbursement Fund/Utilities Aug



⑆001004⑆ ⑆122101706⑆ 457029904646⑆

Check 1004

JENNIFER PAWLK FOR AZ  
PO BOX 2405  
CHANDLER, AZ 85244

1032

91-97287271

28 August 2016

Pay to the  
Order of

Maricopa County Democratic Party \$ 862.00

Eight hundred sixty two and 00/100

Dollars



For Jennifer Pawlk

⑆122187238⑆ ⑆788681518⑆ 1032

# EXHIBIT 5

JENNIFER PAWLIK FOR AZ  
PO BOX 2405  
CHANDLER, AZ 85244

1035  
81-87237121

31 August 2016

Pay to the Order of Maricopa County Democratic Party \$ 375.00

Three hundred seventy five and 00/100 Dollars



For Jennifer Pawlik

⑆ 122487238⑆ ⑆ 788681518⑆ 5E07

---

Tom Collins, CCEC Executive Director  
1616 W. Adams, Suite 110  
Phoenix, AZ 85007  
Thomas.Collins@azcleelections.gov  
CC: Sara.Larsen@azcleelections.gov

RE: Request for Expenditure Documentation & Notice of Complaint

We represent the Tom Chabin for Corporation Commission Committee ("Committee"). This letter serves as the Committee's response to the complaint and request for documentation issued by the Citizens Clean Elections Commission ("CCEC or Commission").

### **Factual Background**

On October 7, Constantin Querard filed a supplemental complaint asking the CCEC to investigate expenditures the Committee made to the Arizona Democratic Party on the grounds that the expenditures may be in-kind contributions from the Party to the campaign allegedly based on the size and timing of the expenditures. On October 11, the CCEC requested documentation for six expenditures including: "Professional services, Voter List," "Signatures and Printing" "Coordinated Campaign" and "Fair Event Expenses."

### **VAN Access, Consulting Services, Signs, and Event Expenses are All Direct Campaign Expenses**

The Commission seeks further information on six listed expenditures. These expenditures were for direct campaign purposes permitted under Rule R2-20-702.

First, the 6/15/16 charge of \$50.00, the 7/11/16 charge of \$50.00 and the 8/4/16 charge of \$8,000.00 for "Voter List" was the Committee's expenditure for access to the Party's VAN voter database. This payment was made in installments allowed, under Rule R2-20-109(C)(2)(a), without any extension of credit. Thus, with these expenditures the Committee remained in compliance with R2-20-104.

The cost of the access to VAN and voter data is higher for this Committee because substantially more data is requested for a statewide race with the district as the entire State of Arizona than one for a legislative district, county, or local race. *See Exhibit 1, VAN Receipt.*

Second, the 6/15/16 charge of \$1,295.86 for “signatures and printing” was paid to the Party for collection of signatures and printing of signature petition sheets. The Party was the direct vendor. *See Exhibit 2, Invoice.*<sup>1</sup>

Third, the 8/4/16 charge of \$25,000 for “coordinated campaign” was an expenditure for access to general consulting services performed by the Party and Party employees including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. *See Exhibit 3, Chabin Declaration; Exhibit 4, Healy Declaration.* The consulting expenditure was not a joint expenditure under the Commission’s Rule R-2-20-703(C) because it was not made in conjunction with a second candidate, and was not payment for an advertisement, literature, material or a campaign event.

Fourth, the 9/1/16 charge of \$25.00 for “Event Expenses-Fair” was payment to the Party for hosting Committee campaign materials at a booth at the fair. This was a direct campaign expense. *Exhibit 5, Invoice and Check.*

The Commission’s Rule R2-20-702 that includes prohibitions on use of campaign funds focuses on restricting the use of clean elections funds for personal use and self dealing. Paying money to a political party to provide consulting services as a candidate would any other direct vendor does not run afoul of Rule R2-20-702.

### **Not In-Kind Contributions**

The Committee’s partial payments for services rendered by the Party as general campaign consultant described above do not render the remainder of the services the Party renders as ‘in-kind’ contributions. Under Arizona law, many expenses, functions and services performed by political parties on behalf of party candidates including publicly funded candidates are exempt from the definition of contribution by law, the so-called political party exception. “The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses. . .” A.R.S § 16-901(5)(b)(v).

### **Conclusion**

Given the enclosed explanation of the requested expenditures, including documentation supporting the use of funds for campaign purposes, and that any partial payments to the Party for consulting services cannot, by definition, transform the remaining value into a contribution from

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<sup>1</sup> Note, a description contained in the invoice is in error. The use is what was reported here and affirmed under penalty of perjury in the attached declaration.

the Party, the Committee respectfully requests the Director to recommend the Commission take no action on this matter.

Sincerely,

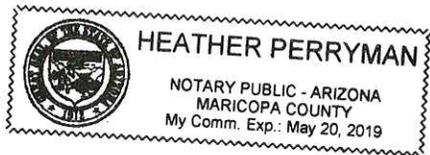
  
James E. Barton II  
*Counsel for Committee*

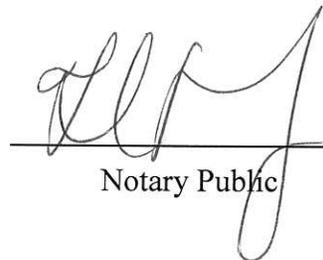
State of Arizona     )  
                                  )  
County of Maricopa    )

Subscribed and sworn (or affirmed) before me this 26<sup>th</sup> day of October, 2016,

by James E. Barton II.

(seal)



  
\_\_\_\_\_  
Notary Public

# EXHIBIT 1

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Tom Chabin  
Tom Chabin Campaign for Corporation Commi  
Tom Chabin

<b>Date Received</b>	02/29/2016	<b>Payment Amount</b>	\$50.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Tom Chabin  
Tom Chabin Campaign for Corporation Commi  
Tom Chabin

<b>Date Received</b>	05/11/2016	<b>Payment Amount</b>	\$100.00
<b>Payment Method</b>	Cash		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$100.00

## Payment Receipt

Arizona Democratic Party

2910 N Central Ave

Phoenix, AZ 85012

**Received From:**

Tom Chabin

Tom Chabin Campaign for Corporation Commi

Tom Chabin

**Date Received**      06/20/2016

**Payment Amount**    \$50.00

**Payment Method**    Cash

**Check/Ref. No.**

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$50.00

# Payment Receipt

**Arizona Democratic Party**

**2910 N Central Ave**

**Phoenix, AZ 85012**

**Received From:**

Tom Chabin

Tom Chabin Campaign for Corporation Commi

Tom Chabin

**Date Received**      07/11/2016

**Payment Amount**    \$50.00

**Payment Method**    Cash

**Check/Ref. No.**

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$50.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Tom Chabin  
Tom Chabin Campaign for Corporation Commi  
Tom Chabin

<b>Date Received</b>	08/01/2016	<b>Payment Amount</b>	\$4,000.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$4,000.00

# Payment Receipt

Arizona Democratic Party  
2910 N Central Ave  
Phoenix, AZ 85012

**Received From:**

Tom Chabin  
Tom Chabin Campaign for Corporation Commi  
Tom Chabin

<b>Date Received</b>	08/04/2016	<b>Payment Amount</b>	\$7,750.00
<b>Payment Method</b>	Check		
<b>Check/Ref. No.</b>			

**Invoices Paid**

<u>Date</u>	<u>Number</u>	<u>Amount Applied</u>
02/29/2016	338	-\$7,750.00

# EXHIBIT 2

**Maricopa County Democratic Party**

**INVOICE**

2914 N Central Ave.  
Phoenix, AZ 85012  
Phone (602) 298-0503

**DATE: JUNE 1, 2016**

**TO:**

Tom Chabin Campaign for Corporation Commission  
Attn: Leah Gillespie

**COMMENTS OR SPECIAL INSTRUCTIONS:**

Invoice for copies/printing done on MCDP equipment.

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
					Due on receipt

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Buy-In to MCDP Coordinated Campaign	\$1,295.86	\$1,295.86

SUBTOTAL	\$1,295.86
SALES TAX	0.00
SHIPPING & HANDLING	0.00
<b>TOTAL DUE</b>	<b>\$1,295.86</b>

Make all checks payable to:  
Maricopa County Democratic Party

*Check # 1048  
6/15*

**Thank you for your business!**

# EXHIBIT 3

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## DECLARATION OF TOM CHABIN

Tom Chabin declares:

1. I am over the age of 18 and competent to provide the testimony in this declaration based on personal knowledge.
2. I am the Democratic Party's candidate for the Arizona Corporation Commission.
3. I am a Participating Candidate in the Clean Elections Program.
4. The Arizona Democratic Party provided general consulting services to my campaign via the coordinated campaign program.
5. My campaign paid \$25,000 for access to these general consulting services including volunteer training, field organization, campaign finance advice, media consulting and campaign consulting.
6. The consulting expenditure for the coordinated campaign services was not a joint expenditure.
7. The 6/15/16 charge of \$1,295.86 for "signatures and printing" was paid to the Party for collection of signatures and printing of signature petition sheets for my campaign.
8. The 9/1/16 charge of \$25.00 for "Event Expenses-Fair" was payment to the Party for hosting campaign materials at the Party booth at the fair.
9. The Democratic Party was the vendor for these services.
10. These expenditures were for direct campaign purposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 25<sup>th</sup> day of October, 2016 By: 

# EXHIBIT 4

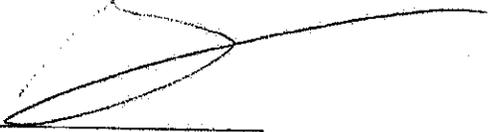
## DECLARATION OF SHEILA HEALY

Sheila Healy declares as follows:

1. I am the Executive Director of the Arizona Democratic Party (the "Party"), and in that capacity, have personal knowledge regarding the operations of the Party's Coordinated Campaign (the "Coordinated Campaign").
2. The Coordinated Campaign is a statewide effort to help persuade and turn out those voters who are supportive of candidates belonging to the Party.
3. The Coordinated Campaign works in all legislative districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices.
4. A candidate who chooses to participate in the Coordinated Campaign is required to pay a "buy-in" fee, which entitles that candidate to benefit from a host of services that are offered. These services include general consulting, volunteer training, field organization, campaign finance advice, media consulting and campaign consulting. The amount of a candidate's "buy-in" is not separated or budgeted as between those various services.
5. There are two separate "buy-ins" for a candidate wishing to benefit from the Coordinated Campaign; one for the primary election, and one for the general election.
6. The amount of the buy-in is negotiated with each campaign based on the value that the Party's consulting services will have to the campaign. Many factors play into this valuation, including but not limited to, the size of the campaign's target audience, the experience of the candidate, and the candidate's need for support.
7. The services that all candidates receive from the Coordinated Campaign are equal to or greater than the amount of the candidate's buy-in.
8. In many instances, consistent with the political party exception, the Party provides consulting services to its candidates without charge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25 day of October, 2016.

  
\_\_\_\_\_  
Sheila Healy

# EXHIBIT 5

INVOICE

Check from Tom Chabin and Bill Munder  
To be made out to: YCDP as per Bill's request for the Yavapai fair  
Next week. (discussed at the meeting on wednesday 31st August)

Bill Mundell \$25.00 made out to YCDP

Tom Chabin \$25.00 "

1st of September 2016

TOM CHABIN CAMPAIGN FOR CORPORATION COMMISSION

1068

91-598/1221  
1131

DATE 9/1/16

CHECK ARMOR

PAY TO THE ORDER OF Yavapai County Democratic Party \$ 25.00

Twenty-Five and 00/100 DOLLARS

Alliance Bank  
of ARIZONA

A Division of Western Alliance Bank  
alliancebankofarizona.com • (877) 273-2265

FOR Fair

*WAP*

⑈001068⑈ ⑆122105980⑆ 8011405399⑈

# EXHIBIT C

Arizona Clean Elections Commission  
November 14<sup>th</sup>, 2016

To Whom It May Concern,

'16 NOV 15 AM 11:04 CCEC

I appreciate the opportunity to provide additional thoughts to the myriad responses received from the Hammond campaign, as well as those from the Mundell, Chabin, Brown, Casillas, Weichert, Deanna, Pawlik, and Salman campaigns.

I am more certain than ever that these campaigns have transferred Clean Elections funding to the Arizona Democratic Party without receiving anything remotely approaching equal value in return, but you obviously will employ much higher standards than one consultant's "feelings." So I'll expand on the responses provided so that you can better appreciate the games that were being played and the ways these campaigns were not properly spending their money. I hope you will agree that these concerns and patterns of behavior raise questions that are worth answering.

We'll start with the Hammond response of October 3<sup>rd</sup> because it describes the Arizona Democratic Party's Coordinated Campaign ("CC") in the greatest detail. Ms. Hammond "bought in" to "maximize her reach to the voters in LD11" for the sum of \$6,000, which was paid on August 24<sup>th</sup>, less than one week before the August 30<sup>th</sup> primary. Hammond's response states that the CC "utilizes a STATEWIDE PLAN" that "works in ALL districts" (emphasis mine).

Of course, a review of Democrat candidate spending shows that candidates who actually funded, or "bought in to" this effort came from only a handful of districts. So the statewide effort was either improperly funded by Clean candidates from just a handful of districts, or the Arizona Democratic Party itself was funding and running a statewide effort in all of the districts, that was merely subsidized by a small number of willing Clean Elections candidates. In fact, I've checked the finance reports of the majority of the Democrats running for the Legislature and it was a very small minority of Democrat candidates who paid anything for this statewide program, and I have not found any traditional candidates who bought in. Similarly, no incumbent Democrats bought in.

#### **HOW DOES THE COORDINATED CAMPAIGN FUNCTION?**

According to the Hammond response "It works in all districts, and through a combination of phone calls, door knocks, and volunteer recruitment, seeks to increase voter turnout with the goal of electing more Democrats to the Legislature and statewide offices."

In other words, it is voter contact and messaging. It is not training or consulting. Which follows, given that the advertisements the Hammond campaign posted seeking paid labor stressed that other candidates, including the federal campaigns of Tom O'Halleran and Ann Kirkpatrick, would benefit from the program.

## THE HAMMOND CAMPAIGN

We are assured by her response that Ms. Hammond paid \$6,000 for six days worth of voter contact and messaging at the end of her uncontested primary, and that that effort completely consumed the \$6,000 that was spent without carrying over to the general election.

Now the responses of the other candidates are fairly boilerplate, which is to be expected given they all use the same attorney. However, every one of those responses describes the exact same Coordinated Campaign that Hammond's campaign does in the opposite way. In fact, it is the contention of every other campaign that the service they received in exchange for their buy-in was exclusively consulting/training. They go to a great deal of trouble to make clear that NO product, communication, or voter contact or messaging was a part of the program or of these expenses. Where Hammond's original plan included door knockers and labor hired expressly for her LD (which same activity she said was later replaced with existing Party resources), the same Coordinated Campaign everyone else bought into now purportedly consists entirely of training and consulting, NOT labor or messaging or voter contact.

The later legal responses anticipate the complications that arise from the party spending on messaging and labor in conjunction with the Hammond campaign, so they steer their clients away from it, but the Hammond response clearly contradicts the later descriptions of what the other candidates received from the exact same program.

As both a consultant and a provider of product I appreciate the difference between the two. There are races where we may provide product but not consulting or vice versa. We also provide both to most of our clients. As such, I understand the price range one might charge for consulting or training. We charge \$275 per month for legislative races, but I know that other firms might charge \$500 or more on a monthly basis.

Still, as Hammond's response points out, the purpose of the Coordinated Campaign is voter contact and messaging. Which makes her decision to spend \$6,000 on it with six days to go in an uncontested primary nonsensical. (It does make her decision to spend \$6,000 additional dollars on it in the general election more logical.) What has not yet been demonstrated is that her primary spending was entirely for primary election efforts because it is prohibited to use primary election funding on general election efforts. Particularly because Ms. Hammond paid \$6,000 for six days worth of product at the very end of an uncontested primary, and then paid another \$6,000 for an equivalent effort that lasted the entirety of a contested general election period.

One final point regarding deciding which description of the CC is accurate. If the program were a training program, it might make sense to participate in it in either the primary or general period. But you wouldn't train on August 24<sup>th</sup> and then return for the exact same training a few weeks later. This adds additional credibility to Hammond's description of the CC and undermines the arguments made by the other campaigns.

*Next, let's look at the prices paid by candidates for these services:*

## THE MUNDELL/CHABIN CAMPAIGNS

Mundell and Chabin ran as a team from the very beginnings of their campaign. From their initial kickoff, to their initial press release, to their signage and their messaging, they ran as a single team. They both clearly relied on Strategies 360 as consultants and for their voter contact as well. Except Chabin didn't pay Strategies 360 equally. Mundell was paying Strategies 360 from as far back as April while Chabin didn't pay until mid-August.

Yet in spite of having a professional consulting firm, Mundell and Chabin both waited until the end of an uncontested primary to each pay \$25,000 to a new vender for consulting/training? Several questions are raised by the Mundell and Chabin responses:

Who was running the race for Mundell and Chabin? Their efforts were clearly coordinated but for most of the primary, yet only Mundell was paying Strategies 360.

Is it Chabin's contention that he received no guidance/consulting/advice for the entire primary period except the final 26 days? It is worth noting that by the time Chabin made his payment to the Arizona Democrat Party both he and Mundell were already employing Leah Gillespie for consulting as well.

What advice/guidance/training did they receive from the Arizona Democratic Party in the final 26 days that was worth \$25,000 each? Perhaps it wasn't even 26 days worth, because just a few days later Chabin was writing checks to Strategies 360 for, you guessed it, consulting.

The last question is interesting because I've done a great deal of training over the years. And "volunteer training, field organization, campaign finance advice, media consulting" is the same for candidates regardless of the size of their race. Since each of the above listed categories of training was claimed by the other respondents, is only the "campaign consulting" portion of the services described by Chabin/Mundell's response (which is not always claimed by the others) where the difference in price is between candidates who paid a few thousand dollars and Chabin/Mundell's twenty-five thousand dollars each? If so, it is nonsense to claim \$50,000 in consulting expenses for 26 days of a race, particularly when already employing two other consultants. Strategies 360 was the team's consultant, so what did Chabin/Mundell get for their fifty thousand dollars from the Arizona Democratic Party?

## CHABIN & MUNDELL GENERAL ELECTION SPENDING

Chabin and Mundell each gave the Arizona Democratic Party \$25,000 with less than one month to go in an uncontested primary, claiming it was exclusively for training and consulting. Yet days later Chabin began finally paying the consultants who were actually running his race. Chabin and Mundell paid nothing to the Democratic Party during the general election, when it would have mattered. What did they actually get for their money? Did they really pay \$50,000 for advice on how to get through the last few days of an uncontested primary while also paying one or two other consultants? Of course not. So what were they paying for?

## THE CASILLAS CAMPAIGN

Casillas paid \$6,000 with six days to go in her uncontested primary election period, again claiming just “consulting/training.” During her contested general election, she paid the Arizona Democratic Party nothing and based on her campaign finance reports went through a highly contested general election contests without any consulting. Or did she prepay it?

## THE WIECHERT CAMPAIGN

Wiechert received the same “volunteer training, field organization, and campaign management and consulting services” described by the other campaigns yet paid only \$2,500 for what other paid \$6,000 (for legislative campaigns) or \$25,000 (for Corp Comm campaigns). If we are to believe that Wiechert only paid for advice and training, and the description of the training his campaign received is described in the exact same manner as the others, why did his cost so much less? It would make sense if he was buying less product, but he claims he was receiving the same training, also paying on August 24<sup>th</sup> with just six days to go in his uncontested primary, yet he paid substantially less. Why? And for what?

## THE DEANNA FOR DISTRICT 21 CAMPAIGN

Deanna for District 21 paid substantially less than other legislative campaigns for her VAN access, but she was also a customer of the Arizona Democratic Party’s consulting/training, for which she paid just \$2,000 on 8/19 and another \$2,300 on 8/29. So not only did her training cost less than almost everyone else’s, but she got \$2,300 worth of additional consulting/training just one day before her uncontested primary? Not likely.

## THE PAWLIK CAMPAIGN

Pawlik paid the same discounted rate as Wiechert on 8/19, just \$2,500 for the same collection of “volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting.” as the other candidates paid \$6,000 or more for. Why the discount?

## THE SALMAN AND BROWN CAMPAIGNS

Salman and Brown are interesting cases, because each waited until the general election to get “trained”. In Brown’s case she wasn’t funded until September 6<sup>th</sup>, so she had no primary money. But Salman was funded in April, got through the primary, filed campaign finance statements, and then in September decided to get training/consulting on campaign finance and how to run a campaign. Making Salman’s case more interesting is that her payments were for the same services described on every other response filed by campaigns (other than Hammond), yet she paid \$3,615.50 on 9/12 and another \$2,826.00 on 9/24. A total of \$6,441.50 makes sense for product, but it is a bizarrely odd amount to pay for services that everyone else has paid very round sums for (\$2500, \$6000, \$25000). Salman’s responded that she got the same as everyone else, but that appears to be inaccurate.

Salman also spent \$100 on a contribution to Ann Kirkpatrick’s U.S. Senate campaign, which appears to be a violation of the rules.

Brown's expenditure is absurd. Think of a campaign consultant like an investment advisor. Sure, you pay a fee or a percentage, but the advice you receive helps you to more effectively invest your money, netting you what is ultimately a higher return. But no one takes a \$24,000 investment and gives \$12,000 of it to an advisor in the hopes of securing a higher return on the \$12,000 that remains, any more than a legitimate advisor would take half of someone's money in exchange for advice on how to win their race. Their fees would have removed any chance of victory.

### **MANY QUESTIONS REMAIN**

*Why did so many candidates wait until after the voting had started, in uncontested primaries, to transfer thousands or tens of thousands of dollars each to the Arizona Democratic Party, in exchange for consulting/training that could not have provided them with any value for their primary election?*

*Why did all of these same candidates then fire their "consultants" before their contested general elections?*

*Why did all of the candidates using the same attorney describe a CC that was completely different from the same CC described by the Hammond campaign?*

*Why did so many pay different amounts to receive the same services?*

*Why did Salman pay such a uniquely different number?*

*Why did Brown pay half of her funding for advice and cripple her own campaign, and why was the advice/training that Brown received at least twice as valuable as that received by any other legislative campaign?*

*Why did giving the same advice to statewide candidates cost more than twice as much as giving it to Brown, and more than four times as much as giving it to the rest?*

The Clean Elections Commission ought to look at the training and/or consulting that took place in those precious few days at the end of the primary season to determine what work, if any, was done, and why the same work for candidates running for the same offices cost such wildly different amounts? It is also the only way to verify that primary funds were used for primary election purposes and that the spending was as described by the campaigns, even when those descriptions contradict each other (Hammond vs the rest).

I assume these candidates and/or the Democratic Party would not want to place into the public domain the contents of their training and/or consulting, but inspection could be done in such a way as to provide proof that the law was followed, without over-exposing their strategies, etc.

### **VOTER DATA FEES**

As a separate note, the legislative candidates paid a wide range of amounts to receive voter data for their legislative races, ranging from \$250 up to \$850. Why the different amounts for what each campaign describes in identical fashion for districts that are also of similar size?

**THE IMPORTANCE OF GETTING THIS RIGHT**

At the end of the day it is quite possible that the Clean Elections Commission will determine that campaigns may simply pay to the parties any amount for "consulting" and that there is no oversight required. So the 2018 cycle may see scores of Clean Elections candidates transfer the majority of their Clean Elections money to the parties. Those monies will obviously then be used to fund party activities quite separate from the actual campaigns of the Clean Elections candidates. This seems to be at odds with the purpose of the Clean Elections Act, but the only way to prevent that is to crack down on behavior that is otherwise not allowed.

It may be that consultants or parties offering consulting are allowed to gouge candidates and that there is no way to stop phony candidates from willingly participating in such schemes in an effort to enrich venders or parties. The Act did not likely anticipate such behavior. The Act did, however, anticipate that candidates might use primary money to fund general election benefits and prohibited it. The Act similarly did require accurate reporting of products/services received, so product may not be called consulting, etc.

My apologies for delivering such a lengthy document, but there are a great many items to deal with. I appreciate you taking the time to read it and am available to answer any questions you may have.

Thank you,

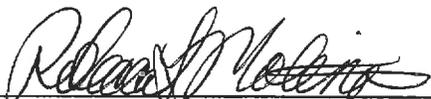


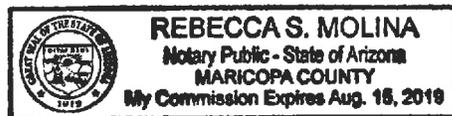
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330 E Thomas Rd  
Phoenix, AZ 85012

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State of Arizona     )  
  )  
County of Maricopa    )

Subscribed and sworn (or affirmed) before me this 15<sup>th</sup> day of November, 2016.

  
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NOTARY PUBLIC



# EXHIBIT D

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Bill Mundell  
Participating Candidate for  
Corporation Commissioner  
Primary Election 2016**

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

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

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Bill Mundell for Corporation Commission (the Candidate) Campaign Finance Reports for both the Pre-Primary (June 1, 2016 to August 18, 2016) and the Post-Primary (August 19, 2016 to September 19, 2016) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

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

**Finding**

We obtained both the Pre-Primary (June 1, 2016 to August 18, 2016) and Post-Primary (August 19, 2016 to September 19, 2016) Campaign Finance Reports from the Arizona Secretary of State's website.

b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:

- (i) Determine whether the candidate accepted contributions only from individuals.

**Finding**

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

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

**Finding**

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

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

**Finding**

Early contributions received during the periods reviewed did not exceed the \$25,678 limit for a corporation commission candidate.

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

**Finding**

Personal contributions received during the periods reviewed did not exceed the \$1,420 limit for a corporation commission candidate.

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

**Finding**

We noted no unusual disbursements during our review.

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

**Finding**

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

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for an agreed-upon procedures attest engagement. Candidates chosen for a Primary Election Audit shall provide records from the Pre-Primary Election Report and the Post-Primary Election Report. Candidates chosen for a General Election Audit shall provide records from the Pre-General Election Report and the Post-General Election Report.

**Finding**

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

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

**Finding**

See comment in a) above.

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

### **Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the campaign committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, spouse, children, siblings and a parent or spouse of any of those persons.

### **Finding**

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

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

### **Finding**

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

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

### **Finding**

After performing proof of cash procedures, we calculated a Post-Primary ending cash balance of \$80,367.29, however the Amended Post-Primary campaign finance report reflected an ending balance of \$80,382.58. The Amended Post-Primary campaign finance report did not reflect the unspent amount of \$154.56 indicated in the Primary Recap Report, and therefore a variance of \$139.27 was determined to be additional unspent monies due to the Commission. Per the Clean Elections Act & Rule Manual rule R2-20-190(E), if the campaign finance report shows any amount of unspent monies, the Candidate is required to remit all unspent contributions to the fund. The Campaign had initially remitted \$1,788.00 in unspent monies to the Commission, in an untimely manner, which was in excess of the calculated total of unspent funds of \$293.83. Therefore, due to the Candidate remitting more funds than required, it was determined to not be necessary to remit the \$139.27 variance described above.

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

### **Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's campaign finance report, and determined the name of the contributors for the contributions was included on the support.

For individuals who contributed greater than \$50, we determined that the contributor's address, occupation and employer were also included on the support, with two exceptions noted. The Campaign did not obtain the occupation and employer of two contributors tested. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-111(B)(1), the treasurer of a candidate's campaign committee is the custodian of the candidate's books and records of accounts and transactions, shall keep a record of all of the following: (b), the identification of any individual or political committee that makes any contribution together with the date and amount of each contribution and the date of deposit into the candidate's campaign bank account. The Citizens Clean Elections Act & Rule Manual definition 16-901 (13)(a) defines "identification" as, for an individual, his name, mailing address, his occupation and the name of his employer.

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

**Finding**

Two cash receipts totaling \$390.94, received from another campaign committee for joint expenditures, were reported as transfers in the Candidate's campaign finance report. We agreed the receipts to the campaign account bank statement, however the expenditures were incurred on 4/7/16, whereas the reimbursements were not made until 8/11/16. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-109(B)(4), a joint expenditure is made when two or more candidates agree to share the cost of goods or services. Candidates may make a joint expenditure on behalf of one or more other campaigns, but must be authorized in advance by the other candidates involved in the expenditure, and must be reimbursed within seven days. The two reimbursements tested were not made within seven days.

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

**Finding**

No in-kind contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenditures (Democratic Party expenditures) for selected candidates, and perform the following:
  - (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

### **Finding**

We reviewed seven expenditures and seven Democratic Party expenditures (total population) and agreed amounts to supporting invoices or other documentation and to the Candidate's finance report, with no exceptions noted, however, the initial documentation maintained by the Campaign and provided for five Democratic Party expenditures was inadequate. The Campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

### **Finding**

We reviewed seven expenditures and seven Democratic Party expenditures (total population) and agreed the name, address and nature of goods or services provided to the information reported in the Candidate's campaign finance report with one exception noted. The Campaign finance report included a \$3,000.00 expenditure for consultants, however the invoice retained by the Campaign did not itemize or detail the services that were provided.

In addition, the initial documentation maintained by the Campaign and provided for five Democratic Party expenditures was inadequate. The campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

### **Finding**

We reviewed seven expenditures and seven Democratic Party expenditures (total population) and agreed amounts to the campaign account bank statements without exception.

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

**Finding**

We reviewed seven expenditures and seven Democratic Party expenditures (total population) and determined that all appeared to have been made for direct campaign purposes with two exceptions. The Campaign finance report included a \$3,000.00 expenditure for consultants, and the invoice retained by the Campaign did not itemize or detail the services that were provided. Per the Citizens Clean Elections Act & Rules Manual rule R2-20-703(A)(1), all participating candidates shall have the burden of proving that expenditures made by the candidate were for direct campaign purposes.

In addition, the initial documentation maintained by the Campaign and provided for five Democratic Party expenditures was inadequate. The campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

**Finding**

One of the five expenditures we tested was for a joint expenditure made in conjunction with another campaign. The amounts paid appear to represent the Candidate's proportionate share of the total cost.

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,420.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Pre-Primary and Post-Primary Campaign Finance Reports of Bill Mundell for Corporation Commission. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

*Foster & Chapman P.C.*

December 13, 2016

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Deanna Rasmussen-Lacotta  
Participating Candidate for  
State Representative – District No. 21  
Primary Election 2016**

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

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

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Deanna for District 21 (the Candidate) Campaign Finance Reports for both the Pre-Primary (June 1, 2016 to August 18, 2016) and the Post-Primary (August 19, 2016 to September 19, 2016) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

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

**Finding**

We obtained both the Pre-Primary (June 1, 2016 to August 18, 2016) and Post-Primary (August 19, 2016 to September 19, 2016) Campaign Finance Reports from the Arizona Secretary of State's website.

b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:

- (i) Determine whether the candidate accepted contributions only from individuals.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

Personal contributions received during the periods reviewed did not exceed the \$720 limit for a legislative candidate.

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

### **Finding**

We noted no unusual disbursements during our review, except for a loan that was made to the Committee by the Candidate on April 24, 2016, that was not repaid until August 30, 2016. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-104(E), if the loan is to be repaid, the loans shall be repaid promptly upon receipt of Clean Elections funds if the participating candidate qualifies for Clean Elections funding. The Committee received their Clean Elections funding on July 20, 2016.

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

### **Finding**

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

## 2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for an agreed-upon procedures attest engagement. Candidates chosen for a Primary Election Audit shall provide records from the Pre-Primary Election Report and the Post-Primary Election Report. Candidates chosen for a General Election Audit shall provide records from the Pre-General Election Report and the Post-General Election Report.

### **Finding**

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

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

**Finding**

See comment in a) above.

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

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the campaign committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, spouse, children, siblings and a parent or spouse of any of those persons.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

We reviewed the supporting documentation for five early contributions reported in the Candidate's campaign finance report, and determined the name of the contributors for the contributions was included on the support, except for one exception noted. The Campaign did not give or maintain a copy of a written receipt for one \$100.00 cash contribution, at the time the contribution was made. Per the Citizens Clean Elections Act & Rule Manual rule R2-20-111(B)(4), all contributions other than in-kind contributions and qualifying contributions must be made by a check drawn on the account of the actual contributor or by a money order or a cashier's check containing the name of the actual contributor or must be evidenced by a written receipt with a copy of the receipt given to the contributor and a copy maintained in the records of the candidate.

For individuals who contributed greater than \$50, we determined that the contributor's address, occupation and employer were also included on the support.

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

**Finding**

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

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

**Finding**

No in-kind contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

- e) Judgmentally select a sample of cash expenditures reported in the candidate's campaign finance report and select 100% of Arizona Democratic Party, Maricopa Democratic Party, Pinal County Democratic, Yavapai County Democratic Party expenditures (Democratic Party expenditures) for selected candidates, and perform the following:
  - (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and five Democratic Party expenditures (total population) and agreed amounts to supporting invoices or other documentation and to the Candidate's finance report, with no exceptions noted, however, the initial documentation maintained by the Campaign and provided for three Democratic Party expenditures was inadequate. The campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

**Finding**

We reviewed five expenditures and five Democratic Party expenditures (total population) and agreed the name, address and nature of goods or services provided to the information reported in the Candidate's campaign finance report without exception, however, the initial documentation maintained by the Campaign and provided for three Democratic Party expenditures was inadequate. The campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

**Finding**

We reviewed five expenditures and five Democratic Party expenditures (total population) and agreed amounts to the campaign account bank statements without exception.

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

**Finding**

We reviewed five expenditures and five Democratic Party expenditures (total population) and determined that all appeared to have been made for direct campaign purposes, however, the initial documentation maintained by the Campaign and provided for three Democratic Party expenditures was inadequate. The campaign subsequently provided additional documentation from the vendor that cleared the exceptions.

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

**Finding**

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

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,420.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Pre-Primary and Post-Primary Campaign Finance Reports of Deanna for District 21. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

*Foster & Chapman P.C.*

November 30, 2016

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Athena Salman  
Participating Candidate for  
State Representative – District No. 26  
Primary Election 2016**

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

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

We (the Contractor) have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Salman for House (the Candidate) Campaign Finance Reports for both the Pre-Primary (June 1, 2016 to August 18, 2016) and the Post-Primary (August 19, 2016 to September 19, 2016) reporting periods were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Pre-Primary and Post-Primary Campaign Finance Reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

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

**Finding**

We obtained both the Pre-Primary (June 1, 2016 to August 18, 2016) and Post-Primary (August 19, 2016 to September 19, 2016) Campaign Finance Reports from the Arizona Secretary of State's website.

b) Perform a desk review of the receipts reported in the candidate's campaign finance report as follows:

- (i) Determine whether the candidate accepted contributions only from individuals.

**Finding**

No contributions were reported in the Candidate's campaign finance reports for the periods reviewed.

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

**Finding**

No contributions were reported in the Candidate's campaign finance reports for the periods reviewed.

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

**Finding**

No early contributions were reported in the Candidate's campaign finance reports for the periods reviewed.

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

**Finding**

No personal contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

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

**Finding**

We noted no unusual disbursements during our review.

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

**Finding**

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

2. Fieldwork Procedures

- a) Commission staff will contact the candidate to request the records for an agreed-upon procedures attest engagement. Candidates chosen for a Primary Election Audit shall provide records from the Pre-Primary Election Report and the Post-Primary Election Report. Candidates chosen for a General Election Audit shall provide records from the Pre-General Election Report and the Post-General Election Report.

**Finding**

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

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

**Finding**

See comment in a) above.

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

**Finding**

The Candidate provided written bookkeeping policies and procedures utilized by the campaign committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, spouse, children, siblings and a parent or spouse of any of those persons.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

No contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

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

**Finding**

Two cash receipts totaling \$21.60, received from other campaign committees for joint expenditures, were reported as transfers in the Candidate's campaign finance report. We reviewed supporting documentation noting the receipts appear to comply with regulatory rules and laws. We also agreed the receipts to the campaign account bank statement.

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

**Finding**

No in-kind contributions were reported in the Candidate's campaign finance reports during the periods reviewed.

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

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

**Finding**

We reviewed five expenditures and one Democratic Party expenditure (total population) and agreed amounts to supporting invoices or other documentation and to the Candidate's finance report, with no exceptions noted.

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

**Finding**

We reviewed five expenditures and one Democratic Party expenditure (total population) and agreed the name, address and nature of goods or services provided to the information reported in the Candidate's campaign finance report without exception.

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

**Finding**

We reviewed five expenditures and one Democratic Party expenditure (total population) and agreed amounts to the campaign account bank statements without exception.

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

**Finding**

We reviewed five expenditures and one Democratic Party expenditure (total population) and determined that all appeared to have been made for direct campaign purposes.

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

**Finding**

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

- f) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,420.

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

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

**Finding**

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

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Pre-Primary and Post-Primary Campaign Finance Reports of Salman for House. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Citizens Clean Elections Commission, and is not intended to be and should not be used by anyone other than this specified party.

*Foster & Chapman P.C.*

December 7, 2016

# EXHIBIT E

MUR16-005 Democratic Candidates Expenditures

Candidate	Expenditure Date	Expenditure Amount	CFR Expenditure Description	Response	Audit	Audit Findings (if applicable)
Athena Salman	9/12/2016	\$3,615.00	Professional Svcs. - Consulting - Organizer: responsible for managing fellows, stregy for field, direct voter contact, voter registration	Respondent provided two declarations regarding the expenditures in question. Respondent states the Arizona Democratic Party provided general consulting services to the campaign through the coordinated campaign program. Respondent states the coordinated campaign was not a joint expenditure and received the following services: general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting. Respondent states these services were for a direct campaign purpose.	Candidate was selected for a Primary Election Audit on 9/15/16. These expenditures were audited.	External auditors reviewed the expenditure in question, reviewed campaign finance reports, and documentation provided for the expenditure and determied the expenditure was for a direct campaign purpose.
Steven Weichert	7/9/2016 8/1/2016 8/24/2016 8/28/2016 9/1/2016	\$650.00 \$575.69 \$2,500.00 \$862.00 \$375.00	Professional Svcs. - Voter List Rent/Utilities Professional Svcs. - Consulting, Coordinated campaign, buy-in Rent/Utilities Auto-Dialer- Sept.	Respondent provided copies of checks, receipts and two declarations regarding the expenditures. Candidate declares these expenditures were for direct campaign purposes, the Democratic Party was the vendor, and the coordinated campaign was not a joint expenditure with other candidates. Respondent received "general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting" for the coordinated campaign fee of \$2,500. The rent charges were paid to the Maricopa County Democratic Party for use of an office and reported when they were paid.	Candidate was selected for a General Election Audit on 10/27/16.	
Jennifer Pawlik	6/16/2016 8/19/2016 7/28/2016 8/28/2016 9/6/2016	\$100.00 \$2,500.00 \$1,030.00 \$862.00 \$375.00	Professional Svcs. - Voter List VAN Professional Svcs. - Consultants Rent - Buy -In Rent Auto-Dialer- Sept.	Respondent provided copies of checks, receipts and two declarations regarding the expenditures. Candidate declares these expenditures were for direct campaign purposes, the Democratic Party was the vendor, and the coordinated campaign was not a joint expenditure with other candidates. Respondent received "general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting" for the coordinated campaign fee of \$2,500. The rent charges were paid to the Maricopa County Democratic Party for use of an office and reported when they were paid.	Candidate was selected for a General Election Audit on 10/27/16.	

MUR16-005 Democratic Candidates Expenditures

Candidate	Expenditure Date	Expenditure Amount	CFR Expenditure Description	Response	Audit	Audit Findings (if applicable)
Deanna Rasmussen-Lacotta	6/28/2016	\$50.00	Professional Svcs. -Info Tech Services	Respondent provided two declarations regarding the expenditures in question. Respondent states the Arizona Democratic Party provided general consulting services to the campaign through the coordinated campaign program. Respondent states the coordinated campaign was not a joint expenditure and received the following services: general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting. Respondent states these services were for a direct campaign purpose.	Candidate was selected for a Primary Election Audit on 9/15/16. These expenditures were audited.	External auditors reviewed the expenditures, reviewed campaign finance reports, campaign committee's bank records, and documentation provided for the expenditures and determined the expenditures were for direct campaign purposes. Initially, the auditors found the documentation for three of the Democratic Party expenditures was inadequate because it did not provide detailed information but the Respondent provided additional documentation to clear the exceptions.
	7/21/2016	\$400.00	Professional Svcs. -Info Tech Services VAN			
	8/19/2016	\$2,000.00	Coordinated Campaign			
	8/29/2016	\$2,300.00	Coordinated Campaign			
	8/30/2016	\$250.00	VAN			
Carmen Casillas	7/7/2016	\$100.00	Professional Svcs. - Voter List VAN	Respondent provided copies of receipts and two declarations regarding the expenditures. Candidate declares these expenditures were for direct campaign purposes, the Democratic Party was the vendor, and the coordinated campaign was not a joint expenditure with other candidates. Respondent received "general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting" for the coordinated campaign fee of \$6,000. Respondent paid \$250 to the Party for a photography session.		
	8/24/2016	\$6,000.00	Joint Campaign			
	8/24/2016	\$650.00	VAN- Balance Due			
	8/30/2016	\$250.00	Campaign Photo Shoot			
Elizabeth Brown	6/9/2016	\$50.00	Voter List- VAN	Respondent provided copies of receipts and two declarations regarding the expenditures. Candidate declares these expenditures were for direct campaign purposes, the Democratic Party was the vendor, and the coordinated campaign was not a joint expenditure with other candidates.		
	7/5/2016	\$50.00	Voter List- VAN			
	9/7/2016	\$306.71	Voter List- VAN			
	9/8/2016	\$12,000.00	Miscellaneous			

MUR16-005 Democratic Candidates Expenditures

Candidate	Expenditure Date	Expenditure Amount	CFR Expenditure Description	Response	Audit	Audit Findings (if applicable)
				Respondent received "general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting" for the coordinated campaign fee of \$12,000. The candidate did report the payment to to the Party as "Miscellaneous" on her campaign finance report.		
Tom Chabin	6/15/2016	\$50.00	Professional Svcs. - Voter List VAN	Respondent provided copies of checks, receipts and two declarations regarding the expenditures. Candidate declares these expenditures were for direct campaign purposes, the Democratic Party was the vendor, and the coordinated campaign was not a joint expenditure with other candidates. The coordinated campaign fee of \$25,000 paid to the Party for "general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting." Respondent paid \$1,298.86 the Party for signature collection and printing of petition sheets.	Candidate was selected for a General Election Audit on 10/27/16.	
	6/15/2016	\$1,298.86	Signatures and Printing			
	7/11/2016	\$50.00	Professional Svcs. - Voter List VAN			
	8/4/2016	\$4,000.00	Professional Svcs. - Voter List VAN			
	8/4/2016	\$25,000.00	Coordinated Campaign			
	9/1/2016	\$25.00	Fair Event Expenses			
Bill Mundell	6/15/2016	\$50.00	Professional Svcs. - Voter List VAN	Respondent provided two declarations regarding the expenditures in question. Respondent states the Arizona Democratic Party provided general consulting services to the campaign through the coordinated campaign program. Respondent states the coordinated campaign was not a joint expenditure and received the following services: general consulting services, volunteer training, field organization, campaign finance advice, media consulting, and campaign consulting. Respondent states these services were for a direct campaign purpose.	Candidate was selected for a Primary Election Audit on 9/15/16. These expenditures were audited.	External auditors reviewed the expenditures, reviewed campaign finance reports, campaign committee's bank records, and documentation provided for the expenditures and determined the expenditures were for direct campaign purposes. Initially, the auditors found the documentation for five of the Democratic Party expenditures was inadequate because it did not provide detailed information but the Respondent provided additional documentation to clear the exceptions. Auditors also noted that joint expenditures were appropriately reported.
	6/15/2016	\$1,295.86	Buy-In to MCDP Coordinated Campaign			
	7/11/2016	\$50.00	Professional Svcs. - Voter List VAN			
	8/2/2016	\$70.00	Miscellaneous - Gala tickets Pinal County			
	8/4/2016	\$25,000.00	Coordinated Campaign Buy-In and VAN			
	8/4/2016	\$4,000.00	VAN Access			
	9/1/2016	\$25.00	Event Expense- Fair Yavapai County			

# EXHIBIT F

**Sara Larsen**

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**From:** Sam Almy <salmy@azdem.org>  
**Sent:** Friday, April 08, 2016 11:33 AM  
**To:** Sara Larsen  
**Subject:** Voter File Pricing Sheet  
**Attachments:** AZ VAN Pricing 2015-16.pdf

Sara,

Here are our revised guidelines to include clean elections pricing. Please let me know what you think.

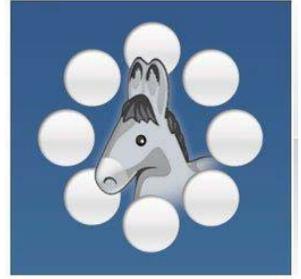
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Sam Almy  
Elections Director  
AZ Democratic Party  
602-234-6822



# Arizona Democratic Party

## Voter File Pricing



Votebuilder, or the VAN, is the platform that is used to provide access to the Arizona Democratic Party's enhanced voter file. Votebuilder is a partnership between the Arizona Democratic Party and the Democratic National Committee. The website is administered by NGP-VAN. The Arizona Democratic Party can provide Votebuilder access to Democratic candidates, allied groups, and consultants for fair-market value. Access to the voter file is subject to the approval of the Arizona Democratic Party. Any questions can be directed to Sam Almy at (602)298-4200 or [salmy@azdem.org](mailto:salmy@azdem.org).

To help offer the right set of tools for each campaign, there are now three levels of access. Please see the package descriptions below for more information.

### **Signature Only:**

The signature only package is designed to allow candidates to gather signatures to qualify for the ballot. The package is the bare minimum a candidate will need to qualify for the ballot. You are able to search for Democrats only, there are no exporting capabilities, and your account will expire on the signature deadline.

### **Clean Elections Package**

For those candidates participating in Arizona's clean elections program, there are additional rules and pricing guidelines. The full Standard Package cannot be given unless the candidate has paid for the full amount, otherwise access would be considered an in-kind contribution. Clean Elections candidates will be billed monthly (see pricing chart) with access to the Signature Only package. The amount billed will be credited towards the Standard Package if candidates choose.

### **Standard Package**

This package is recommended for all candidates. It includes the regular VAN features of creating lists, exporting mail lists, searching on all voters, access to two modeling scores, and counts and crosstabs. This package will run through the general election. The two modeling scores are turnout and partisan score.

### **Analytics Package**

For some campaigns, advanced analytics is needed to win. This package is recommended for those candidates in competitive races, particularly legislative races. The Analytics Package includes everything in the Standard Package. Also included are access to issue based modeling scores such as Choice, Gun Control, College Graduate, Down Ballot Roll Off Risk, and more. In addition to these modeling scores, lists

of up to 5,000 records can be exported without approval by the VAN administrator. For a list of modeling scores, see below or ask the VAN Administrator for current list.

## A la Carte Modeling Scores

Some modeling scores may be more useful than others. If a campaign would like access to one or two of the analytics package models, they can chose from the list. The cost will be negotiable.

## Package Comparison

Feature	Signature Only	Standard	Analytics
Quick Look Up	✓	✓	✓
Create A List	✓	✓	✓
Cut Turf	✓	✓	✓
Print List	✓	✓	✓
Data Entry	✓	✓	✓
MiniVAN Access	✓	✓	✓
Search on Independents	✓	✓	✓
Search on Republicans	✗	✓	✓
Search on Ethnicity	✗	✓	✓
Search on Scoring	✗	✓	✓
Print Labels	✗	✓	✓
Export Mail/Call List	✗	✓	✓
Counts and Crosstabs	✗	✓	✓
Bulk Upload	✗	✓	✓
Virtual Phone Bank	✗	✓	✓
Robo Calls*	✗	✓	✓
Robo Surveys*	✗	✓	✓
Create Survey Questions	✗	✓	✓
Create Activist Codes	✗	✓	✓
Create Scripts	✗	✓	✓
Create Report Formats	✗	✓	✓
Access to MyCampaign	✗	✓	✓
Create Volunteer Records	✗	✓	✓
Create Volunteer Events	✗	✓	✓
Schedule Volunteers	✗	✓	✓
Advanced Modeling	✗	✗	✓
Export Without Approval**	✗	✗	✓
Priority VAN Support	✗	✗	✓
Detailed District Analysis	✗	✗	✓
Detailed Post Election Analysis	✗	✗	✓
Inclusion on Daily Reports	✗	✗	✓

\*For an additional cost

\*\*Up to 5,000 Records

# Pricing Chart

VAN pricing is based on two criteria – number of voter records and the location of the race on the ballot. For instance, a school district in Maricopa County may have a large number of voters, but because of the down ballot nature of the race, the price will be reduced.

	Jurisdiction	Signature Only	Standard	Analytics
<b>State and Federal Offices</b>	Statewide	-	\$12,000	\$15,000
	Congressional District	-	\$3,000	\$4,000
	Legislative District	\$250	\$800	\$1,000
<b>Counties and County Supervisors</b>	Maricopa County	\$750	\$5,000	\$6,250
	Pima County	\$300	\$2,500	\$3,125
	Yavapai & Pinal County	\$100	\$500	\$625
	Other Counties	\$50	\$250	\$300
	Maricopa Supervisor	\$500	\$1,500	\$1,875
	Pima Supervisor	\$300	\$750	\$950
	Other Supervisor	\$50	\$250	\$300
<b>Cities and City Districts</b>	City of Phoenix	\$350	\$2,000	\$2,500
	Phoenix City District	\$250	\$800	\$1,000
	City of Tucson	\$250	\$1,200	\$1,500
	City of Tucson Ward	\$75	\$400	\$500
	City of Mesa	\$250	\$1,200	\$1,500
	Cities 100k to 150k	\$100	\$750	\$950
	Cities 50k to 100k	\$50	\$350	\$450
	Cities 10k to 50k	-	\$250	\$250
	Cities under 10k	-	\$100	\$100
	Other City Districts	-	\$250	\$300
<b>Judge – Justice of the Peace – Constable</b>	Maricopa & Pima JP	\$50	\$350	\$450
	Other JP	\$50	\$250	\$300
	Constable	\$50	\$250	\$300
	Maricopa & Pima Judge	\$50	\$350	\$450
	Other Judge	\$50	\$250	\$300
<b>School Districts</b>	School District	\$50	\$250	\$300
	Phoenix Union HSD	\$50	\$350	\$400
<b>County Party</b>	Maricopa County	-	-	\$1,000
	Pima County	-	-	\$500
	Other Counties	-	-	\$250

# Payment Deadlines

Campaigns do not raise all their money at one time. Because of this, the Arizona Democratic Party will work with anyone one creating a payment plan that works for your campaign. Below are hard deadlines required to keep access to the VAN.

Payment	Package	Federal & Statewide Candidates	Candidates with a primary	Candidates without a primary	Clean Elections Candidates
<b>Deposit</b>	Signature Only	N/A	\$50 due on activation	\$50 due on activation	\$50 Monthly
	Standard	10% due by May 1 <sup>st</sup> prior to election year	\$50 due 30 days after activation	\$50 due 30 days after activation	\$50 Monthly
	Analytics	10% due by May 1 <sup>st</sup> prior to election year	\$50 due 30 days after activation	\$50 due 30 days after activation	\$50 Monthly
<b>1/2 Payment</b>	Signature Only	N/A	30 days after activation	30 days after activation	\$50 Monthly
	Standard	July 1 <sup>st</sup> prior to election year	45 days before primary election	45 days before general election	\$50 Monthly
	Analytics	July 1 <sup>st</sup> prior to election year	45 days before primary election	45 days before general election	\$50 Monthly
<b>Full Payment</b>	Signature Only	N/A	30 days before signatures are due	30 days before signatures are due	\$50 Monthly
	Standard	October 1 <sup>st</sup> prior to election year	15 days before primary election date	15 days before general election date	\$50 Monthly
	Analytics	October 1 <sup>st</sup> prior to election year	15 days before primary election date	15 days before general election date	\$50 Monthly