

**Citizens Clean Elections Commission**  
**Complaint re: Ken Bennett**

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\*18AUG 1 PM 2:43 CCEC

1. Pursuant to A.R.S. § 16-956(A)(7), § 16-957, and Commission Rule R2-20-203, I submit this complaint against Ken Bennett and his campaign committee "Ken Bennett."
2. Mr. Bennett is a participating candidate for the Republican Party's nomination for Governor of Arizona. The address for Mr. Bennett and his campaign committee is 2150 Ewin Drive, Prescott, AZ 86305. (Exhibit 1)
3. My name is Tyler Montague. I reside at 534 North Orange Street, Mesa, AZ 85201. I am a qualified elector of the State of Arizona.

**Legal Violation**

4. According to his 2nd Quarter Campaign Finance Report, Mr. Bennett made a series of loans to his committee, totaling \$30,500. (Exhibit 1)
  - On April 27, 2018, Mr. Bennett loaned his committee \$5,000.
  - On May 14, 2018, Mr. Bennett loaned his committee \$5,000.
  - On May 18, 2018, Mr. Bennett loaned his committee \$2,000.
  - On May 24, 2018, Mr. Bennett loaned his committee \$7,000.
  - On June 4, 2018, Mr. Bennett loaned his committee \$2,000.
  - On June 29, 2018, Mr. Bennett loaned his committee \$9,500.

5. As a condition for accepting public money for political campaigns, a participating candidate such as Mr. Bennett must agree to very specific contribution and expenditure limitations. This is a unique feature of Arizona's Clean Elections program. Under the First Amendment to the United States Constitution, candidates may spend as much of their own personal money on campaigns as they choose. In exchange for public money, however, the state may enact constitutional limitations on personal expenditures. That is exactly what the voters did by enacting the Citizens Clean Elections Act ("Act").

6. In that regard, A.R.S. § 16-941(A)(2) provides that a candidate for statewide office is limited in the amount of expenditures from their personal monies. The relevant part of that statute is as follows:

A. Notwithstanding any law to the contrary, a participating candidate:

....

2. Shall not make expenditures of more than a total of five hundred dollars of the candidate's personal monies for a candidate for the legislature or more than one thousand dollars for a candidate for statewide office. (Emphasis added.)

7. Arizona law states that a loan is considered a contribution until it is paid off. A.R.S. § 16-901(11)(d) provides that a "contribution" includes "[a] loan that is made to a committee for the purpose of influencing an election, to the extent the loan remains outstanding."

8. Here, Mr. Bennett made a personal contribution to himself that is greater than 30 times the personal contribution limit established in the Act.

9. According to his campaign finance report, Mr. Bennett is using this money to make expenditures for his campaign. According to the summary page of his campaign finance report, as of June 30, 2018, Mr. Bennett has made expenditures in the amount of \$36,113,79.

10. His campaign finance report also indicates that, through June 30, 2018, Mr. Bennett had only raised \$44,320 for his campaign. This total includes the \$30,500 personal loan, \$5,650 in qualifying contributions, and \$8,170 individual contributions. No matter what method of accounting is used, Mr. Bennett's personal money campaign expenditures far exceeds the \$1,000 statutory limit.

11. I understand that Commission Rule R2-20-104(E) provides that a participating candidate may accept loans in excess of \$1,000 during the exploratory and qualifying periods. This Rule is inconsistent with A.R.S. § 16-941(A)(2) and should not be applied.

12. First, the mandatory nature of § 16-941(A)(2) precludes the Commission from adopting a rule that would allow candidates to make personal money loans more than \$1,000. That statute begins with the admonition, "Notwithstanding any law to the contrary . . ." The plain language of this statute therefore precludes the Commission from adopting a rule that would allow candidates to make large personal loans such as the one here.

13. Second, allowing personal loans of this magnitude circumvents the Act's requirement of limiting personal money expenditures. Here, Mr. Bennett can make \$30,500 worth of expenditures from his personal monies, in direct contradiction of the statute. If he does not qualify for funding under the Act, he will have no ability to repay the loan. His loan will then become a personal contribution, which constitutes another violation of the Act.

### Conclusion

14. Based on these facts, and pursuant to A.R.S. § 16-957(A), the Commission should find reason to believe that Mr. Bennett has violated A.R.S. § 16-941(A)(2) by making expenditures of personal money of more than \$1,000.

15. I ask that the Commission engage in all investigative measures pursuant to A.R.S. § 16-956(A)(7) to determine the extent of this violation.

16. The Commission should also impose all applicable penalties against Mr. Bennett.

17. Should it discover evidence that Mr. Bennett committed this violation knowingly, the Commission should refer this matter to the appropriate prosecutorial agencies under A.R.S. § 16-943.

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

Dated: July 31, 2018

  
Tyler Montague

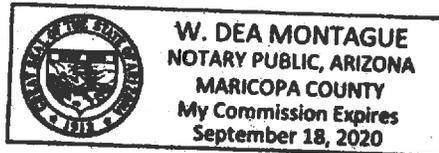
State of Arizona     )  
                                  )  
County of Maricopa   )

SUBSCRIBED AND SWORN to before me this 31st day of July, 2018.

  
Notary Public

My commission expires:

Sept. 18, 2020



# EXHIBIT 1

# EXHIBIT 1

# State of Arizona



## Campaign Finance Report

Treasurer: BENNETT, KEN  
2150 Ewin Dr, Prescott, AZ 86305  
Phone: (602) 541-9742  
Email: ken@kenbennett.com  
Candidate Name: BENNETT, KEN  
Office Sought: Governor

KEN BENNETT  
Committee #: 201800522

### 2018 4th Report (2nd Quarter)

Election Cycle: 2017-2018  
Date Filed: July 16, 2018  
Reporting Period: April 1, 2018-June 30, 2018

### Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$0.00
Total Cash Receipts this Reporting Period:	\$44,320.00
Total Cash Disbursements this Reporting Period:	\$36,113.79
Cash Balance at End of Reporting Period:	\$8,206.21

Report ID: 181027

### Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$0.00
Individual Contributions	C2	\$8,170.00	\$0.00	\$8,170.00	\$8,170.00
Contributions from Political Committees	C3a,b,c	\$0.00	\$0.00	\$0.00	\$0.00
Business Contributions	C4a,b,c	\$0.00	\$0.00	\$0.00	\$0.00
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$0.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$0.00
Qualifying Contributions	C7	\$5,650.00	\$0.00	\$5,650.00	\$5,650.00
Loans Made to this Committee	L1	\$30,500.00	\$0.00	\$30,500.00	\$30,500.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Income</b>		<b>\$44,320.00</b>	<b>\$0.00</b>	<b>\$44,320.00</b>	<b>\$44,320.00</b>

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$36,113.79	\$0.00	\$36,113.79	\$36,113.79
Independent & Ballot Measure Expenditures	E2a,b,c	\$0.00	\$0.00	\$0.00	\$0.00
Contributions to Committees/Businesses	E3a-E3f	\$0.00	\$0.00	\$0.00	\$0.00
Small Expenses	E4	\$0.00	\$0.00	\$0.00	\$0.00
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Expenditure of In-Kind Contributions	C8	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$36,113.79</b>	<b>\$0.00</b>	<b>\$36,113.79</b>	<b>\$36,113.79</b>
Bill Payments for Previous Expenditures	D1	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Disbursed</b>		<b>\$36,113.79</b>	<b>\$0.00</b>	<b>\$36,113.79</b>	<b>\$36,113.79</b>

**Schedule L1 - Loans Made to This Committee**

Item	Date	Amount
<b>New Loan</b>		
BENNETT, KEN	04/27/2018	\$5,000.00
Original Amount of Loan: \$5,000.00		
Original Date of Loan: 04/27/2018		
<b>Loan Balance at End of Reporting Period</b>		\$5,000.00
<b>New Loan</b>		
BENNETT, KEN	05/14/2018	\$5,000.00
Original Amount of Loan: \$5,000.00		
Original Date of Loan: 05/14/2018		
<b>Loan Balance at End of Reporting Period</b>		\$5,000.00
<b>New Loan</b>		
BENNETT, KEN	05/24/2018	\$7,000.00
Original Amount of Loan: \$7,000.00		
Original Date of Loan: 05/24/2018		
<b>Loan Balance at End of Reporting Period</b>		\$7,000.00
<b>New Loan</b>		
BENNETT, KEN	06/29/2018	\$9,500.00
Original Amount of Loan: \$9,500.00		
Original Date of Loan: 06/29/2018		
<b>Loan Balance at End of Reporting Period</b>		\$9,500.00
<b>New Loan</b>		
BENNETT, KEN	06/04/2018	\$2,000.00
Original Amount of Loan: \$2,000.00		
Original Date of Loan: 06/04/2018		
<b>Loan Balance at End of Reporting Period</b>		\$2,000.00
<b>New Loan</b>		
BENNETT, KEN	05/18/2018	\$2,000.00
Original Amount of Loan: \$2,000.00		
Original Date of Loan: 05/18/2018		
<b>Loan Balance at End of Reporting Period</b>		\$2,000.00
Total of Outstanding Loans Before Adjustments		\$30,500.00
Total Adjustments Against Outstanding Loans		\$0.00
Total of Outstanding Loans After Adjustments		\$30,500.00