

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Damien R. Meyer
Chair

Steve M. Titla
Mark S. Kimble
Galen D. Paton
Amy B. Chan
Commissioners

State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcleanelections.gov

NOTICE OF COMPLAINT AND RESPONSE OPPORTUNITY
SENT VIA E-MAIL AND US POSTAL SERVICE

October 17, 2018

Betty Villegas
PO Box 85031
Tucson, AZ 85754
villegasforazsenate@gmail.com

RE: CCEC MUR No. 18-15

Dear Ms. Villegas,

This letter is to notify you that a complaint was filed against you with the Arizona Citizens Clean Elections Commission.

Commission rules provide that upon the filing of a complaint that substantially complies with Arizona Administrative Code Section R2-20-203, notification must be given to each respondent. Ariz. Admin. Code R2-20-204(A). Additionally, the rule provides for an advisement of compliance procedures. Those procedures are set forth in Article 2 of the Commission's Rules (Arizona Administrative Code Sections R2-20-201 to R2-20-228) as well as the Clean Elections Act (specifically Arizona Revised Statutes Section 16-940 to 16-961).

The Commission's rules provide that a respondent "be afforded an opportunity to demonstrate that no action should be taken on the basis of a complaint by submitting, *within five days from receipt of a written copy of the complaint*, a letter or memorandum setting forth reasons why the Commission should take no action." Ariz. Admin. Code R2-20-205(A). *Your response must be notarized, or the Commission will not consider it.* Ariz. Admin. Code R2-20-205(C). Failure to respond to this complaint within five days may be viewed as an admission to the allegations. *Id.* **Please notarize the response you previously emailed to me and resend it no later than Wednesday, October 24th.**

This matter is in the initial stages of review. A finding will be made only after the Commission has fully reviewed this matter. Please contact me if you have any questions at (602) 364-3477 or by e-mail at mike.becker@azcleanelections.gov.

Sincerely,

Mike Becker
Policy Director
Citizens Clean Elections Commission

Doug Ducey
Governor

Thomas M. Collins
Executive Director



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MEMORANDUM

To: Betty Villegas, Candidate

From: Thomas M. Collins, Executive Director

Date: 10/30/2018

Subject: Failure to Pay Outstanding Bill

On October 9th, Commission staff received a call from Ms. Villegas in which she explained the situation outlined below and seeking a way to resolve it. Sometime between September 18 and September 29th Ms. Villegas was notified that she had an outstanding bill from Arizona Jet-Mail for processing, prepping, and mailing a support letter to the voters in her district. The total bill was for \$564.51. Prior to that, Ms. Villegas had returned funds to the Commission in the amount of \$229.52. After an initial review it would appear that the outstanding bill would put Ms. Villegas over the spending threshold by \$335.05 based on the fact that she returned funds that did not cover the outstanding cost. However, Ms. Villegas did not receive the maximum amount of personal/family contributions, falling short by \$155. Adding that additional funds to the money she returned to the Commission (\$229.52) would keep her from having exceeded the spending cap. Therefore, based on this information and the fact that Ms. Villegas self-reported the issue, I recommend that Ms. Villegas pay an amount equal to the overage (\$335.05) to the fund as restitution for the amount of money the fund would have had returned to it but for the mistake.

I believe that this fairly resolves the matter, and that, because of the self-reporting and request for a remedy, the internal complaint is closed.

October 11, 2018

Attn: Mike Beck, AZ Citizens Clean Elections Commission

Dear Commissioners:

I am writing to explain some discrepancies I discovered after I submitted the AZ Citizens Clean Election Commission (AZCCEC) finance refund. I will explain the details as clearly as possible below:

1. On September 5, 2018, I emailed Stephanie Cooper to inform her that I had filed my Primary Recap report on Sept. 4, which was two days late due to a health issue and my treasurer being out of town. (It was the first and only report I had filed late). I indicated in the email (see below) that I still had six checks outstanding, and bank fees, but that my accounting was accurate, and I would get to the bank that day to withdraw final refund check, which I did.

EMAIL TO STEPHANIE COOPER ON SEPTEMBER 5, 2018:

From: Betty Villegas [mailto:bvillegas16@gmail.com]

Sent: Wednesday, September 5, 2018, 12:59 PM

To: Stephanie Cooper

Subject: Re: LD3 Debate Reminder

Hi Stephanie, per our earlier conversation, I filed my report late because I, unfortunately, came down with a flu bug and have not been able to function very well, and my treasurer was out of town. As you can see, this is the first time I have been late on a report. We did get it filed yesterday, though there are still six checks outstanding, and some bank fees for those checks that will affect the final check I will return. Although my report is accurate, the bank fees may reduce the final payout, at which time I will amend the report, if it is allowed. I will try and make it to the bank to process the cashiers check today or tomorrow since I am still not feeling very well. I appreciate your support as a first-time candidate.

Respectfully,

Betty Villegas

2. I was able to go to the bank the same day and asked for a cashiers check in the amount of \$237.52 but they charged me an \$8.00 cashiers check fee bringing the total refund to @229.52. I had calculated as the final amount, which I mailed out. Between Sept. 5 and Sept. 20, I had not checked this email and realized I had missed a response from Stephanie recommending I keep the funds in the account until all the checks clear, which would have prevented the bank fee shortage in the amount of \$4.00. When I discovered this shortage on September 20 (see email exchange on the next page), I once again contacted Stephanie explaining the deficit and asked for guidance and options on what I should do.

EMAIL EXCHANGE WITH STEPHANIE COOPER:

Betty Villegas bvillegas16@gmail.com

Sep 20, 2018, 4:48 PM

to Stephanie

Stephanie, I didn't see this until now, and there us one check left. I miscalculated in the amount I sent you by 4.00. I am got g to try and get the bank to waive the \$4.00 fee as the check I have outstanding is \$25.00 and I only have \$21.00 left. Are there any options available if the bank doesn't waive the 4.00?

Sent from my iPhone

On Sep 5, 2018, at 2:19 PM, Stephanie Cooper <Stephanie.Cooper@azcleaselections.gov> wrote:

Ms. Villegas,

Go ahead and keep all funds in your account until those checks clear. We will then accept the remaining money after those have come out, that way you know the exact amount if any fees occur from the bank.

Thank you,

Stephanie Cooper
Executive Support Specialist
Citizens Clean Elections Commission
1616 W. Adams St., Suite 110
Phoenix, Arizona 85007

2. (Continued) After sending the email on September 20, I did not hear back from Stephanie or anyone on how or if I could resolve this issue, and the bank was not able to waive the fees. During this time (beginning September 18) I was in Denver CO caring for my two-year-old grandson until September 29th and could not follow up with anyone due to time constraints so I figured I would try contact again after I returned.

3. After the above discovery, while still in Denver, I received an email from AZ Jet Mail Service notifying me that I had two outstanding unpaid invoices. I was shocked since I honestly thought I had paid all my invoices. I asked if I could get back to them so I could go through my paperwork when I returned, and they obliged. I figured I could prove they were wrong and that it was a misunderstanding. Upon returning and reviewing everything, I realized I had never seen the invoices, and therefore they had not been paid. The following is a timeline on what occurred:

a. Congressman Raul Grijalva volunteered to help my campaign by composing and mailing a letter of support to potential voters. I called AZCCEC for direction on how to proceed. Since I was involved in preliminary discussions, I was financially responsible for this kind gesture since it would be a direct benefit to the campaign.

b. The Congressman composed the letter, and we created the mailing list. I chose Gloo Factory for the printing job (letter should be on file). It was the first and only mailing job my volunteers helped me stuff and stack in preparation for AZ Jet Mail.

c. We delivered the letters in two batches to AZ Jet Mail. The first batch was on July 27th, and the second on July 30th. (Friday and Monday). The person at AZ Jet Mail requested I wait until I delivered the final batch on Monday, July 30th before making the payment.

d. When I returned on Monday, I went into their office to make the payment. They gave me the invoice and instructed me to make the check directly to the US Post Office, which I did. **Please understand, this was my first time working with them directly and**

I thought I was paying the amount in full. The total amount of the two outstanding invoices is \$564.51.

In Closing:

I now know that I had only paid for the postage and not for the processing and service. It is a valid charge that I owe for the mailing, but as I stated above, **it was an honest oversight due to my lack of knowledge and experience.** The mailing I sent before and after was all-inclusive, using Wholesale Litho. The last mailing I once again processed independently and printed through GLOO Factory and used AZ Jet Mail directly for mailing due to time constraints. The last invoice for this last mailing was all-inclusive, showing the processing, service and postage fees. It wasn't until this incident that I realized the one in question did not.

Running for office as a clean candidate was important to me, as I believe in the purpose and also felt I could focus on campaigning and issues that mattered rather than continue to raise money when running traditionally. However, I also found it very challenging since the lack of funding prevented me from hiring consultants experienced in campaign management and finance. Whenever I had any questions on financing, I would call or email the AZCCEC office, and talk it through with your staff. I always found everyone very helpful. I ran against an incumbent with high name recognition who also ran clean, and while I lost the campaign, I learned so much, and should I decide to run again in the future, I will implement these lessons.

My husband and I are both retired from the State of Arizona, and we have worked hard for everything we have. We don't have much disposable income, and this outstanding amount is a hardship for us, as we have many other financial obligations on a fixed, limited income. I would humbly ask the AZCCEC to please consider all these factors when reviewing these items.

Thank you for your consideration and time. Please contact me using my email: bvillegas16@gmail.com or you can call me at (520) 850-5779 for any questions or additional information.

Respectfully,



Betty Villegas

Enclosures:

1. Two AZ Jet Mail Invoices (unpaid)
2. Prior Email from AZ Jet Mail with no reference to additional charges.
3. Copy of invoice from AZ Jet Mail for referenced mailing
4. Copy of check payable to US Postal Service for referenced mailing.
5. Invoices from Gloo Factory for referenced mailing total: \$ 1,960.99 (Check was for \$2,243.90 due to a combined payment for separate invoice amount of \$282.91).
6. Copy of check payable to Gloo Factory for #5.
7. Copy of Cashiers Ck of final refund amount for \$229.52

ARIZONA JET-MAIL

3710 E 43rd Place, Suite 101
Tucson, AZ 85713
520-571-1329

Invoice

DATE	INVOICE #
7/27/2018	64606

BILL TO
Betty Villegas for AZ State Senate 5349 S Gila Ave Tucson AZ 85746-9526

P.O. NO.	TERMS	JOB #
	Due on receipt	150599

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Mail Raul Grijalva Support Letter (4135 pieces) on 7/27/18		
	List Processing/NCOA/Dedupe	25.00	25.00
	Machine Seal Letters	95.97	95.97
	Ink-Jet Address	131.38	131.38T
	Mail Prep & Delivery - Letter	25.00	25.00
	State Sales Tax	6.10%	8.01
Thank you for your business.		Total	\$285.36

ARIZONA JET-MAIL

3710 E 43rd Place, Suite 101
Tucson, AZ 85713
520-571-1329

Invoice

DATE	INVOICE #
7/30/2018	64607

BILL TO
Betty Villegas for AZ State Senate 5349 S Gila Ave Tucson AZ 85746-9526

P.O. NO.	TERMS	JOB #
	Due on receipt	150605

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Mail Raul Grijalva Support Letter (4007 pieces) on 7/30/18		
	List Processing/NCOA/Dedupe	25.00	25.00
	Machine Seal Letters	93.15	93.15
	Ink-Jet Address	128.18	128.18T
	Mail Prep & Delivery - Letter	25.00	25.00
	State Sales Tax	6.10%	7.82
Thank you for your business.		Total	\$279.15

Subject: Re: POSTAGE: 150599 MAILER FOR BETTY VILLEGAS - DROP 1 7-27-2018

From: chris@azjetmail.com

To: nathaniel@standwithraul.com; bjvillegas@yahoo.com

Date: Friday, July 27, 2018, 4:59:23 PM PDT

I will be sending the postage for the one that mails Monday, so just wait til we send you postage for the second drop and both can be on one check.

Have a good weekend.

Chris

Christina Chambers
Arizona Jet-Mail Services LLC
3710 E 43rd Place Suite 101
Tucson AZ 85713
(520) 571-1329 x 18 Office

On 7/27/2018 4:46 PM, Nathaniel Sigal wrote:

Thanks so much Chris. Really appreciate your flexibility with this one. Betty is going to be taking care of expenses for this job. Betty can you please drop off a check to them on Monday?

On Fri, Jul 27, 2018 at 3:55 PM Christina <chris@azjetmail.com> wrote:

Hola Nate, we made it with the mailing, but I need postage for this. See below.

Chris

----- Forwarded Message -----

Subject:POSTAGE: 150599 MAILER FOR BETTY VILLEGAS - DROP 1 7-27-2018

Date:Fri, 27 Jul 2018 12:47:50 -0700

From:Stephanie James <stephanie@azjetmail.com>

To:Tim <tim@azjetmail.com>, CHRIS Chambers <chris@azjetmail.com>

Attached please find you're postage statement for: 150599 MAILER FOR BETTY VILLEGAS - DROP 1 7-27-2018

Permit - 541
Class of Mail - STD LETTER
Postage - \$909.48
Dom. Count - 4,135
FGN Count - 0
Straight First Class - 0
NCOA Updated - 7/27/2018

Arizona Jet Mail Request's that all postage check's are in house by 10:00 a.m. the day of your mailing in order to ensure same day postal entry. Please make **ALL** postage checks payable to: **U.S. POSTMASTER.**

Thank you,

Arizona Jet Mail Services

--

Nate Sigal

Campaign Manager

People for Grijalva

Cell: (520) 444-3007

PO BOX 1242 Tucson, AZ 85702



3710 East 43rd Place, Suite #101
Tucson, Arizona 85711
520.571.1329

Postage Funds Receipt

Date: 7/31/18
Customer Name: Betty Villegas for AZ State Senate
Job Number: 150599 / 150605
Postage Amount: \$1788.07
Check Number: 730

BETTY J VILLEGAS
DBA BETTY VILLEGAS FOR AZ STATE SENATE
5349 S GILA AVE
TUCSON AZ 85746-9526

\$730

Date 7-30-18

PAY TO THE
ORDER OF

US Postal Service \$ 1788.07

one-thousand seven-hundred eighty-eight ^{7/100} 00/100  SECURITY FEATURES
DETAILED ON BACK

usbank Permit 541

Memo Drop + 2 Mailer - Villegas Betty J. Villegas

⑆ 122105155⑆ 151707051513⑆ 64



**PO BOX 1212
TUCSON, AZ 85702**

Invoice

Date	Invoice #
7/24/2018	5970

Bill To

Bety Villegas

Phone

Email

bjvillegas@yahoo.com

**PAID
07/27/2018**

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			7/24/2018			
Quantity	Item Code	Description	Price Each	Amount		
200	Stickers Service	screenprinted stickers	0.725	145.00T		
200	Custom Postcards	palm cards (reorder)	0.33	66.00T		
50	Wire Bracket	h-stakes	0.85	42.50T		
		Sales Tax	11.60%	29.41		
				Sub Total	\$282.91	
				Payments/Credits/Deposits	-\$282.91	

Payment is due upon pick up, unless other arrangements have been made. Check payment is preferred when possible.

Balance Due \$0.00

Gloo Factory is a CWA Union Shop



**PO BOX 1212
TUCSON, AZ 85702**

Invoice

Date	Invoice #
7/23/2018	5986

Bill To

Bety Villegas

Phone _____ Email _____

bjvillegas@yahoo.com

**PAID
07/27/2018**

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			7/23/2018			
Quantity	Item Code	Description			Price Each	Amount
4,200	Copies	Offset Letterhead & No 10 Envelopes 4200 total of each			0.21429	900.00T
4,000	Copies	Offset Letterhead & No 10 Envelopes 4000 total of each			0.21429	857.16T
		Sales Tax			11.60%	203.83
Sub Total						\$1,960.99
Payments/Credits/Deposits						-\$1,960.99

Payment is due upon pick up, unless other arrangements have been made. Check payment is preferred when possible.

Balance Due \$0.00

Gloo Factory is a CWA Union Shop

BETTY J VILLEGAS
DBA BETTY VILLEGAS FOR AZ STATE SENATE
3349 S GILA AVE
TUCSON AZ 85746-9526

727

Date 7/27/18

PAY TO THE
ORDER OF

Gloo Factory \$ 2,243.90
Two thousand two hundred forty three + 90/100 Dollars

usbank.

CAMPAIGN LIT

Memo

MAILING

Betty J. Villegas MP

⑆122105155⑆ 151707051513⑆ 64

PURPOSE/REMITTER: BETTY VILLEGAS FOR AZ STATE SENATE



CASHIER'S CHECK

No. 7703505349

93-38
929

DATE: SEPTEMBER 05, 2018

PAY TWO HUNDRED TWENTY NINE DOLLARS AND 52 CENTS

TO THE
ORDER OF: AZ CITIZENS CLEAN ELECTIONS

\$ 229.52

Location: 7703 West Grant Safeway

U.S. Bank National Association
Minneapolis, MN 55480

NON NEGOTIABLE

AUTHORIZED SIGNATURE

HARLAND CLARKE 20745 (01/13) 70228814

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of:

Betty Villegas and Committee(s), Respondent

MUR Nos. 18-15

REPAYMENT AGREEMENT

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission") and Betty Villegas, participating candidate for legislature ("Respondent") enter this Repayment Agreement (the "Conciliation Agreement") in the manner described below:

1. Candidates who participate in public financing must abide by the Clean Elections Act and Rules and the Commission has authority to enforce the Act and Rules pursuant to A.R.S. § 16-956(A)(7), including the requirement to not make expenditures exceeding the primary election spending limit..
2. Respondent agreed to abide by the law respecting the use of funds including A.R.S. § 16-942(A), which provides that participating candidates may not exceed spending limits.
3. This Repayment Agreement concludes the Commission's enforcement proceeding respecting the facts outlined in the attached Statement of Reasons.

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

1. Respondent agrees to settle this matter by repaying the Clean Elections fund \$335.05.
This amount represents a refund of the amount of Clean Elections funding that was not reported as having been paid, thus exceeding the primary spending limit.
2. To satisfy the repayment obligation amount acknowledged above, Respondent shall pay to the Commission \$50.00 by February 1, 2019, followed by equal monthly installments of \$50.00 continuing thereafter on the 1st day of each following month for six months. The final payment of the remaining balance of \$35.05 is due no later than the seventh month, August 1, 2019. Respondent may prepay all or any portion of the outstanding balance.
3. All payments shall be made by check or money order payable to the Citizens Clean Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona, 85007.
4. The Commission shall not commence any legal action against Respondent to collect the claims so long as they are not in default.
5. Respondent shall be in default of this Agreement and any outstanding matters will be forwarded to the Office of the Attorney General upon the occurrence of any of the following:
 - a. Respondent fails to make any payment required hereunder within five (5) working days following the date due;
 - b. Respondent files a petition under the bankruptcy laws or any creditor of the Respondent file any petition under said laws against the Respondent;
 - c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit or trustee sale) on real property of the Respondent or commences garnishment, attachment, levy or execution against the Respondent's property; or;
 - d. Respondent provides false information to the Commission.
6. In the event of default hereunder, at the option of the Commission, all unpaid amounts hereunder shall be immediately due and payable. In addition, interest shall accrue on

the unpaid balance from the date that the payments became due and payable. Interest shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).

7. Nothing contained in this Agreement shall be construed to prevent any state agency which issues licenses for any profession from requiring that the debt in issue be paid in full before said agency will issue Respondent a new license.

8. The Commission may waive any condition of default without waiving any other condition of default and without waiving its rights to full, timely future performance of the conditions waived.

9. In the event legal action is necessary to enforce collection hereunder, Respondent shall additionally pay all costs and expenses of collection, including without limitation, reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies recovered.

10. If the initial payment is not received by the Commission on or before February 1, 2019, or any subsequent payment is not timely received thereafter, Respondent stipulate that the entire fine amount, less any amounts previously paid will become due and payable by Respondent.

11. Respondent acknowledge that all obligations payable pursuant to this Agreement constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC § 523 such obligations are not subject to discharge in bankruptcy.

12. This Agreement shall be construed under the laws of the State of Arizona.

13. In the event that any paragraph or provision hereof shall be ruled unenforceable, all other provisions hereof shall be unaffected thereby.

14. This Agreement shall constitute the entire agreement between the parties regarding the subject matter. This Agreement shall not be modified or amended except in a writing signed by all parties hereto.

15. This Agreement shall not be subject to assignment.

- 1 16. No delay, omission or failure by the Commission to exercise any right or power
2 hereunder shall be construed to be a waiver or consent of any breach of any of the
3 terms of this Agreement by the Respondent.
- 4 17. Respondent has obtained independent legal advice in connection with the execution of
5 this Agreement or have freely chosen not to do so. Any rule construing this Agreement
6 against the drafter is inapplicable and is waived.
- 7 18. This Agreement shall be void unless executed by the Respondent and delivered to the
8 Commission, not later than January 31, 2019.
- 9 19. All proceedings commenced by the Commission in this matter will be terminated and
10 the matter closed, upon receipt of the final payment of the civil penalty as set forth in
11 this Agreement.

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13 Dated this ____ day of January 8, 2019.

14 By: _____
15 Thomas M. Collins, Executive Director
16 Citizens Clean Elections Commission

17 By: _____
18 Betty Villegas, Respondent

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