

May 18, 2017

Citizens Clean Election Commission Report by Rivko Knox

1. Present. Only four of the five Commissioners attended; and in deference to the missing Commissioner, no action was taken on some issues.

2. Executive Director's Report. Mr. Collins spoke briefly about the situation with Adrian Fontes and his decision to process voter registration forms submitted without proof of citizenship if MVD indicates they are citizens. He pointed out that LWVAZ had issued a press release about this matter. Because the CCEC was created by an initiative, he also mentioned that there was litigation relating to the new law about 'strict compliance' re initiatives. In response to questions, he then expanded upon Fontes' plan for voting centers, which Collins said impacted on the CCEC in the sense that he needed to make sure voter education efforts with consistent with what was done.

3. Audit of Clean Elections Candidate Representative Jesus Rubalcava. (Note: You're probably all somewhat familiar with this situation because quite a bit of this has appeared in the media). The issue before the CCEC at this meeting was only acceptance of the audit, with a decision as to whether Collins will file an internal complaint as a separate matter. If that happens, it will then allow for a response from Rep. Rubalcava, with a subsequent step including a Commission vote on whether to impose a penalty, followed by the candidate's opportunity for an administrative hearing, followed by another vote by the Commission and then a potential appeal to the Superior Court. The auditors were present and Rep. Rubalcava communicated by phone. In summary, Rep. Rubalcava did not file

any documents; the auditors used bank statements and based on those tried to figure out which funds were used for campaign expenses vs. personal non campaign expenses as there were virtually no backup documents. Rep. Rubalcava did not dispute the outcome of the audit; acknowledged the errors and took responsibility for poor accounting and practices. The CCEC did accept the audit. More to come!!

4. The 'On Going Saga' with Governor's Regulatory Review Council (GRRC). The CCEC voted to approve the response to the GRRC's concerns relating to compliance. (see prior reports for background).

5. Discussion/Possible Action on Rule Amendment Proposals. As a result of some complaints received after the last election cycle regarding Clean candidates 'purchasing' services from a political party, the CCEC developed three options relating to such. These options were: A. Ban expenditures to political parties with clean election funding; B. Limit expenditures by clean candidates from political parties to voter information and political event fees and C. Restrict expenditures to political parties by Clean candidates for campaign expenditures that met specific documentation requirements.

Notes: 1) I did not recommend to the LWVAZ that we submit any comments as I did not think the issue directly related to the LWVAZ's position re Clean Elections; 2) All expenditures were made to the Democratic Party; 3) The main reason that a specific legislator introduced a bill to abolish the CCEC was that he didn't want Clean money going to the Democratic Party – he said that in a Committee hearing I attended!!! And I wonder if the same or another legislator will attempt the same thing next session as this rule does not prohibit candidates from 'purchasing goods and services' from a political party.

Collins said that very few comments were received on these three options; he also pointed out that there was no rush to vote on this today because the next cycle of Clean Candidate funding will not start until January 1, 2018. Three elected Legislators, all of whom ran as Clean Candidates and all of whom did purchase services from the Democratic Party came to speak; they were Rep. Athena Salmon and Isela Blanc and Sen. Juan Mendez. They all spoke against options A and B; and asked questions about C because they thought it prohibited them from paying for services before they are received, which they pointed out made for great difficulties although none of them were opposed to clear purchase orders spelling out in detail in advance what was being purchased. Commissioner Patton raised the most questions about this issue, saying he had concerns when he saw 10 candidates' writing checks to a political party from Clean funding. The elected legislators explained that the services an experienced political party could provide (e.g., a field organizer, cutting canvassing/phone lists, finding people to canvass and phone bank) were not the kinds of things that small businesses and even some consultants could provide. They all agreed that more accountability and transparency was important and requested some minor rewriting to clarify Option C. They also pointed out that as the system as it exists now is built around political parties; thus, it does not make sense (my words) not to expect interaction between Clean candidates and the parties they are running as part of. In addition Dana Walton, the Ex. Dir. of the AZ Democratic Legislative Campaign Committee (ADLCC) also appeared and spoke. Collins made it clear that the new rules were needed to verify that Clean candidates were not 'giving' money to a political party and that a political party was not 'giving' money/resources to a Clean candidate (vs. purchasing specific services much as if they were using a consultant or purchasing supplies from a company). The elected officials spoke

about the difficulties of ensuring they complied with CCEC rules and in favor of greater transparency; and the Commissioners focused on ensuring that candidates were not deterred from running Clean by the rules while still ensuring transparency and having protection from political parties and consultants based on the CCEC's requirement for detailed documentation of services provided. There was a 'meeting of the minds' at the end. Due to the absence of one Commissioner, a vote on the options was postponed.

6. Ending Comments. Commissioners Collins spoke briefly about a bill, SB1072, which started out being a rewrite of the Administrative process of administrative appeals and ended up as a bill that says a person can get attorneys' fees if they challenge a rule, policy or subject in some instances. He said he thought the CCEC was the target of the bill and if it applies, it will raise VPA concerns.

Respectfully and belated submitted by
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Board.

P.S. This is being sent to the entire LWVAZ Board and the LWVMP
Board