



December 8, 2014

Kristin L. Windtberg  
Osborn Maledon, P.A.  
2929 N. Central Avenue, 21st Floor  
Phoenix, Arizona 85012

Re: Campaign finance complaints against Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) and Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01)

Dear Ms. Windtberg:

I am in receipt of a letter prepared by the Glendale city clerk finding that reasonable cause exists to believe that Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) and Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) have violated Arizona election laws (a copy of the letter is attached). I reviewed the letter and adopt the findings contained in the letter.

A.R.S. §16-914.01(B) provides that “[a] committee acting in support of or opposition to the qualification, passage or defeat of an initiative or referendum or any other ballot measure, question or proposition shall give notice to the secretary of state for statewide measures and the local filing officer who is responsible for receiving campaign finance reports for filing for non-statewide measures the first time each of the following occurs [emphasis added]:

1. The committee has received contributions totaling ten thousand dollars or more.
2. The committee has made expenditures totaling ten thousand dollars or more.
3. The committee has received contributions totaling ten thousand dollars or more from a single source.
4. The committee has received contributions totaling ten thousand dollars or more from different additional single sources.”

**Finding 1**

On April 1, 2014 Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) received a contribution totaling ten thousand dollars.

Reasonable cause exists that Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) did not timely report receipt of

contributions totaling ten thousand dollars or more in accordance with A.R.S. §16-914.01(B)(1) and A.R.S. §16-914.01(B)(3).

**Finding 2**

On August 18, 2014, Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) received a contribution totaling thirty thousand dollars.

Reasonable cause exists that Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) did not timely report receipt of contributions totaling ten thousand dollars or more in accordance with A.R.S. §16-914.01(B)(1) and A.R.S. §16-914.01(B)(3).

**Finding 3**

On April 1, 2014, Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) expended ten thousand dollars (Petition Partners).

Reasonable cause exists that Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) did not timely report expenditures totaling ten thousand dollars or more in accordance with A.R.S. §16-914.01(B).

**Finding 4**

On August 29, 2014 Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) expended twenty-five thousand dollars (Petition Partners).

Reasonable cause exists that Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) did not timely report expenditures totaling \$10,000 or more in accordance with A.R.S. §16-914.01(B).

The committees have clearly failed to comply with A.R.S. §16-914.01.

A.R.S. §16-914.01(D) provides that “[a] political committee that violates this section and a person who knowingly violates this section are liable in a civil action for a civil penalty of up to three times the amount improperly reported . . .” (emphasis added).

When assessing a civil penalty, it is important to note the danger inherent in ignoring or not assessing a penalty is that there would be no consequence for a violation of the law. The fine imposed is a reasonable method of advising the violator the fact that the violator’s behavior has consequences. More importantly, the behavior must be modified. In determining an appropriate penalty we consider:

1. The number of violations.  
The committees have committed four violations.
2. The sophistication of the campaign committees and sponsoring organization.  
The committees have a sponsoring organization and a sophisticated team of advisors.

3. Egregiousness of the offense.

These matters do not appear to be simply oversights that were self-reported and subsequently corrected. Rather, the defects were not cured until the city clerk received a citizen complaint and notified the committee.

4. Harm to the citizens of Glendale.

One underlying purpose of the statute is to preserve the transparency in the election process. In the context of a referendum, citizens should have available to them information about not only the subject of the referendum, but also the identity of parties supporting or opposing the referendum.

- Respect the Promise in Opposition to R-14-01 - Neighbors for a Better Glendale (R-14-01) gathered all signatures by April 24, 2014. All signatures were gathered without the financial information available to the public. The financial information was not available until June 30, 2014. Compliance with statute was attained on October 24, 2014.
- Respect the Promise in Opposition to R-14-02 - Neighbors for a Better Glendale (RTP) gathered all signatures between August 14, 2014 and September 12, 2014. All signatures were gathered without the financial information available to the public. The financial information was available on or about September 16, 2014. Compliance with the statute was attained on October 24, 2014.

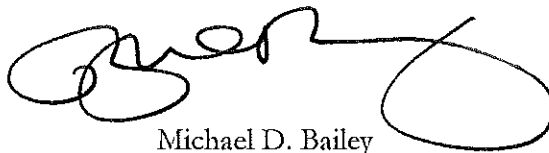
5. Mitigating factors.

The committee reported the contributions and expenditures on subsequent campaign finance reports (noting that the disclosure occurred almost 90 days after the statutory event and 60 days after the gathering of signatures) and cured the defect after notification.

The sum of all violations equals seventy-five thousand dollars. The statute authorizes this office to assess a fine three times the amount improperly reported. Given the facts contained in the clerk's letter and the considerations above, it is the finding of the Glendale City Attorney's Office that campaign violations occurred and a fine is hereby levied in the amount of seventy-five thousand dollars.

Please remit a check in the amount of seventy-five thousand dollars to the Glendale City Clerk's Office at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Bailey", with a large, stylized flourish at the end.

Michael D. Bailey  
City Attorney