



February 21, 2018

Office of the Arizona Attorney General
2005 N. Central Ave.
Phoenix, AZ 85004

Re: Campaign law violation by candidate Debbie Lesko

Dear General Brnovich:

I write to inform you of apparent campaign finance violations committed by Debbie Lesko, candidate for Congress, Arizona Congressional District 8. While an affiliated independent expenditure committee that Mrs. Lesko has funded from her Arizona State Senate campaign account, “Re-elect Debbie Lesko for State Senate”, has also violated the law, their violation is one of federal law. That committee, as well as Mrs. Lesko, are the subject of a separate federal campaign finance law complaint I have filed with the Federal Elections Commission. (Exhibit 1).

THE FACTS

The facts are simple and straight forward. Debbie Lesko was an Arizona State Senator. When Trent Franks vacated his seat in the United States House of Representatives, she declared her candidacy for this office, and subsequently resigned as an Arizona State Senator.

On January 18, 2018, Mrs. Lesko made a \$50,000 contribution from her State Senate campaign to Conservative Leadership for Arizona. (See attached campaign finance report, Exhibit 2). Mrs. Lesko is the Treasurer of her State Senate committee, so presumably she signed the check or some other authorization transferring these funds. Conservative Leadership for Arizona has received only \$50 from another source, and has been supporting Mrs. Lesko’s candidacy for Congress. (See attached article from *The Arizona Capital Times*, Exhibit 3).

THE LAW

Mrs. Lesko has violated the state law covering committees that “intend to terminate.”

That statute lists five things a candidate can do with surplus funds, and this is not one of them. Unless Lesko plans on losing her congressional race and keeping this state committee, she has violated this law also.

Specifically, Arizona Revised Statutes § 16-933 states:

A. A committee that intends to terminate shall dispose of surplus monies as follows:

1. Return surplus monies to the contributor.
 2. Contribute surplus monies pursuant to and within the limits prescribed in article 1.2 of this chapter.
 3. In the case of a candidate committee, contribute surplus monies to a candidate committee for another candidate under the following conditions:
 - (a) The candidate committee makes the contribution after the time period for filing a nomination paper pursuant to section 16-311, subsection A.
 - (b) The candidate associated with the candidate committee that makes the contribution did not file a nomination paper to run for election in the current election cycle.
 - (c) In the case of a candidate committee for legislative office, the candidate committee makes the contribution when the legislature is not in regular legislative session.
 - (d) The candidate committee makes the contribution within the limits prescribed for individuals in section 16-912.
 4. Donate surplus monies to a nonprofit organization that has tax exempt status under section 501(c)(3) of the internal revenue code.
 5. In the case of a statewide or legislative candidate committee and subject to section 41-133, transfer surplus monies to the candidate's officeholder expense account.
- B. Surplus monies shall not be used for or converted to personal use.
- C. This section does not preclude the repayment of a loan to a committee.

Mrs. Lesko will undoubtedly hang her hat on A.R.S. § 16-913(E) (“A candidate committee may make unlimited contributions to a person other than a candidate's committee.”) But unless Mrs. Lesko plans on losing her congressional race, her State Senate Committee meets the statutory definition of “a committee that intends to terminate”, and falls under A.R.S. § 16-933, which prescribes much more limited means of a candidate to dispose of surplus monies.

In addition, the stator definition of a “person” does include a federal independent expenditure committee. The definition of person does include a “committee”, and the definition of “committee” includes a “political action committee.” A.R.S. § 16-901, subsections (10) and (39). But the definition of “political action committee” is “an entity that is required to register as a political action committee pursuant to section 16-905.” A.R.S. § 16-901(41).

In addition, A.R.S. § 16-933(B) states that “Surplus monies shall not be used for or converted to personal use.” It is ironic, but in not using these funds for the campaign they were contributed for, or otherwise disposing them as allowed by law, conversion to her personal use is exactly what Mrs. Lesko has done.

CONCLUSION

Mrs. Lesko is thumbing her nose at state and federal campaign finance law, and in the process violating various state and federal statutes. I ask that you enforce A.R.S. § 16-933 and hold Mrs. Lesko accountable for this.

Very truly yours,

Phil Lovas