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Montana's NEW Medical Marijuana Initiative

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COMMISSIONER OF
POLITICAL PRACTICES

September 20, 2016

Commissioner of Political Practices
State of Montana
Jonathan R. Motl, Commissioner
1209 Eighth Ave.
PO Box 202401
Helena, MT 59620-2401

HAND DELIVERED

Dear Commissioner Motl,

I am writing to file campaign finance complaints against the Safe Montana ballot committee (Stephen Zabawa, Treasurer, PO Box 20515 Billings, MT 59106). I reside at 508 Park Pl., Bozeman, MT 59715, and I am the treasurer of the Montana Citizens for I-182 ballot committee. We have become increasingly concerned with the lack of transparency in Safe Montana's campaign activities in opposition to I-182.

We believe that Safe Montana is engaging in a pattern of deceptive actions intended to obscure from the public eye the financing of their activity opposing I-182. First, we believe that their reporting was delinquent and incomplete. Second, that they are not properly filed as a ballot committee opposing I-182, using one committee to simultaneously support I-176 and oppose I-182. Confusing and deceptive are two words that come to mind. Was money collected to support I-176 spent opposing I-182 or vice-versa? We encourage your office to launch a thorough and complete investigation as soon as possible.

Complaint 1 – Late Reporting

The C-6 due on September 1, for the period of July 28th through August 27th, was not filed on time. The report was finally filed on September 18th, coming more than two weeks after the reporting deadline. At a minimum, Safe Montana has violated the laws requiring campaign finance disclosure by ballot committees (MCA 13-37-229) to be filed electronically by prescribed dates (MCA 13-37-226).

Safe Montana's late reporting impedes the public's knowledge of their campaign expenditures and who is funding their committee. The public has a right to know this information. Furthermore, with only seven weeks left until Election Day, Safe Montana has created an unfair advantage, and a public perception that is inaccurate, by withholding campaign finance information for seventeen days.

PAID FOR BY MONTANA CITIZENS FOR I-182
JEFF KRAUSS, TREASURER | P.O. BOX 1663 | HELENA, MT 59624

Complaint 2 – Failure to Disclose Expenditures

We believe Safe Montana has failed to fully disclose significant campaign expenditures as required by MCA 13-37-226 and 13-37-229. In early September, fourteen billboards opposing I-182 went up in at least five Montana cities (Billings, Bozeman, Helena, Kalispell and Missoula). Though Safe Montana billboards were first sighted in the first week of September, coming after the end of the last reporting period, we believe that advance payment and reservation would have been made prior to the end of the last reporting period (on or before August 27th). In addition, there would have been production costs and other supporting work that would have been needed to complete this advertising.

These billboards have been reported on by the media:

Bozeman Daily Chronicle on September 13, 2016, “Group campaigning against medical marijuana initiative” (http://www.bozemandailychronicle.com/news/politics/group-campaigning-against-medical-marijuana-initiative/article_7a85a047-526e-54d5-86bb-847d364315d5.html)

KTVQ on September 19, 2016, “SafeMontana funneling funding into campaign against I-182” (<http://www.ktvq.com/story/33133761/safemontana-funneling-funding-into-campaign-against-i-182>)

Depending on the size and location, these billboards would cost \$1,000 to \$5,000 each for four weeks (\$2,000 to \$10,000 each for eight weeks). Production and installation would cost an additional \$200-\$500 each. If four of the fourteen are larger billboards located along highways and the remaining ten are smaller billboards on city streets, the total cost of the billboards through Election Day would be in the range of \$64,000.

Safe Montana simultaneously made the first large expenditure opposing I-182 and failed to file its campaign finance report for more than two weeks. We believe this was intentional and designed to hide campaign expenditures. We are concerned this lack of transparency is a pattern for our opponent, and that there may be additional unreported expenditures. The KTVQ story provides confirmation of this concern.

Group director and Billings businessman Steve Zabawa would not comment on how much he is spending on the campaign, but said SafeMontana will also roll out ads on television, radio, and newspaper. (KTVQ, 9-19-16, “SafeMontana funneling funding into campaign against I-182”)

If the Commissioner finds that Safe Montana did indeed fail to disclose a \$64,000 expenditure for billboards, we would request a fine equal to triple the expenditure, which would be \$192,000. We also ask that you act to correct the pattern of late reporting, inaccurate reporting and so that the people of Montana have a full and accurate portrayal of Safe Montana activities. We express this because we

believe there is a pattern of misinformation, incomplete work, false activity and intimidation that has been undertaken by Safe Montana as reported in the media.

Complaint 3 – Lack of Attribution on Website

Safe Montana has a website, www.safemontana.com, that contains campaign messages opposing I-182. Therefore, the website must include a “Paid for by” attribution as required by MCA 13-35-225. The website includes a copyright at the bottom of the page that includes the name of the group and the PO Box – “©2014-2016 SafeMontana. All Rights Reserved SafeMontana PO Box 20515 Billing MT 59104” (sic) – but it is not a complete and proper attribution.

Complaint 4 – Not Properly Filed as an Opposing Ballot Committee

Safe Montana was filed as a ballot committee supporting I-176. When they failed to qualify I-176 for the November ballot, Safe Montana Treasurer Steve Zabawa signaled that Safe Montana would shift focus to opposing I-182. In their most recent report, filed on September 18th, Safe Montana reports expenditures, such as “Audit Team” and “Supplies for Audit Team,” that were clearly made as part of Safe Montana’s failed effort to challenge the determination by county election administrators and the Montana Secretary of State that I-176 did not receive sufficient signatures to qualify for the ballot. There are other expenditures that are less clear, such as “GAS” and “Reimbursement of mailing expenses,” that could be in support of I-176 or in opposition to I-182.

We do not believe it is in the interest of the people of Montana to have such lack of clarity in campaign finance reporting. It is difficult to have transparency when it is impossible to determine which ballot issue Safe Montana is attempting to affect with a particular expense. We also believe the law is clear in defining that a ballot issue committee has a single purpose.

MCA 13-1-101. Definitions

(7) "Ballot issue committee" means a political committee specifically organized to support or oppose a ballot issue.

The law reads “a ballot issue” not “ballot issues.” In contrast, the definition for an incidental committee does use the plural.

MCA 13-1-101. Definitions

(22) (a) "Incidental committee" means a political committee that is not specifically organized or operating for the primary purpose of supporting or opposing candidates or ballot issues but that may incidentally become a political committee by receiving a contribution or making an expenditure.

The lack of clarity derived from Safe Montana’s dual purposes, combined with their late and incomplete reporting, makes it very difficult to understand the finances of their campaign (or campaigns). We ask

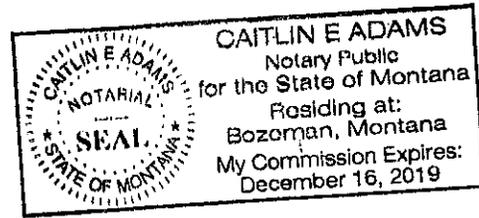
that the Commissioner require Safe Montana to cease its activities opposing I-182 because it is not a properly filed ballot committee opposing I-182.

In previous letters to Safe Montana and Steve Zabawa we have expressed these concerns and encourage them to seek guidance from your office.

Sincerely,



Jeff Krauss
Treasurer, Montana Citizens for I-182



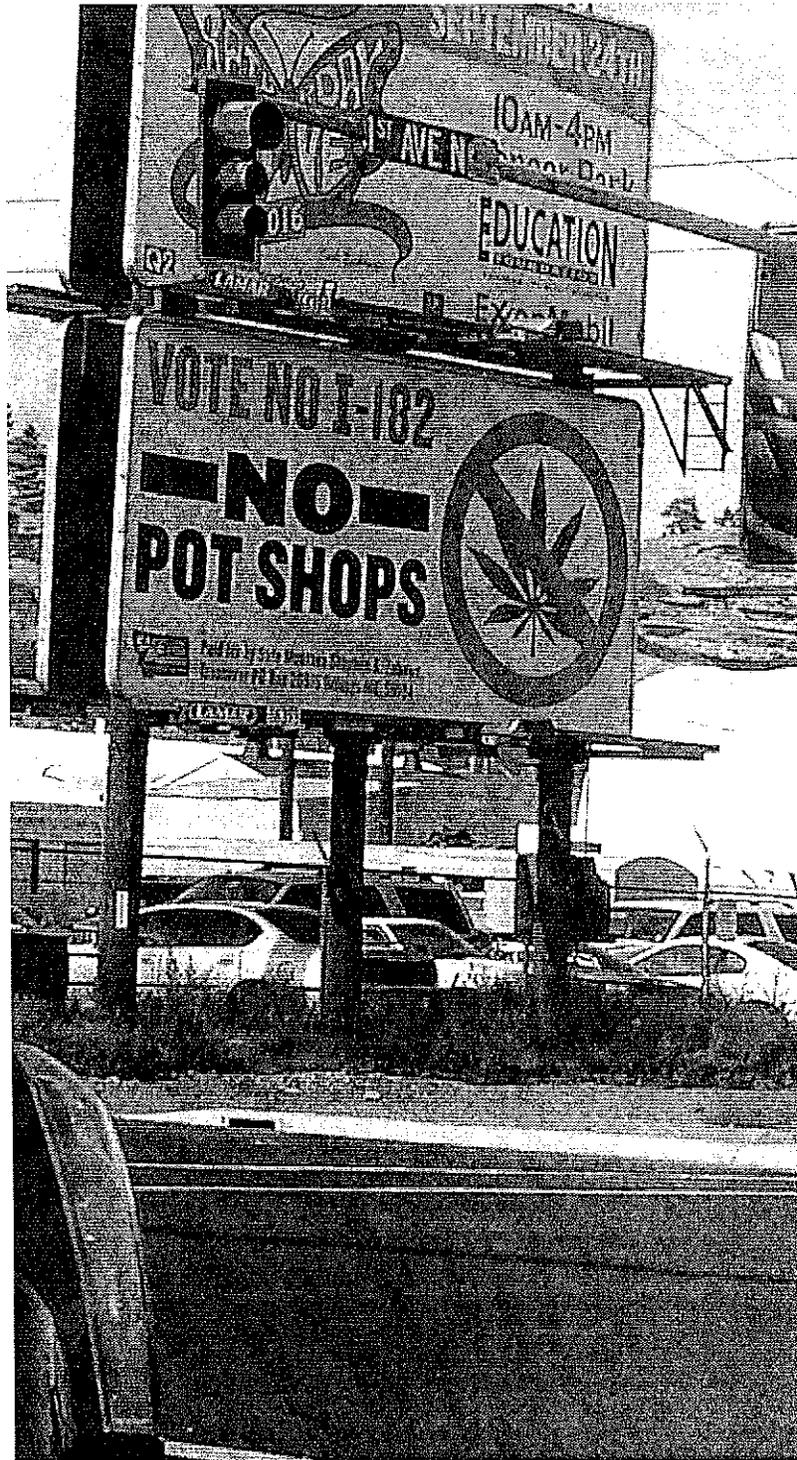
State of Montana

County Gallatin

Signed before me on 9-21-16 by Jeff Krauss

Notary public Caitlin E Adams
~~Caitlin E Adams~~

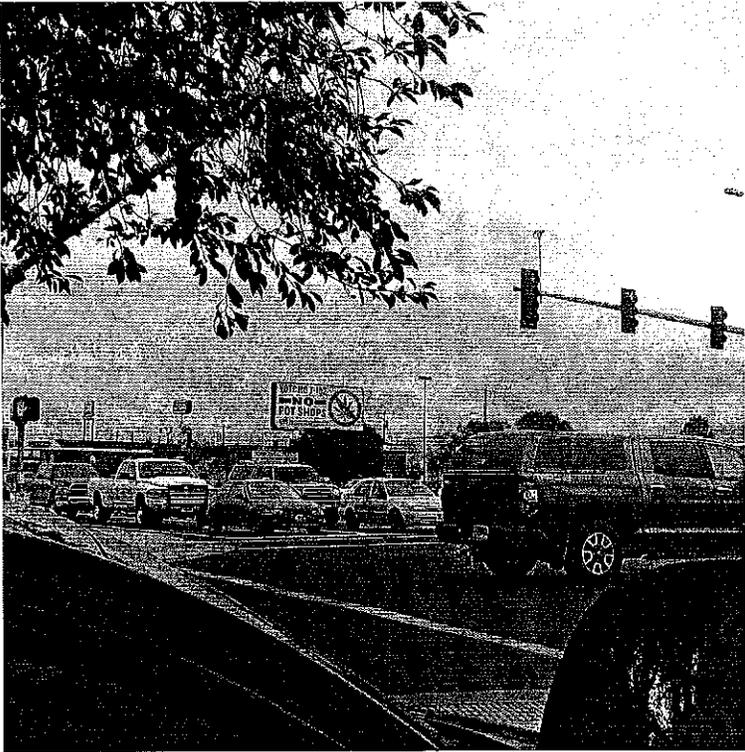
Safe Montana billboard in Billings



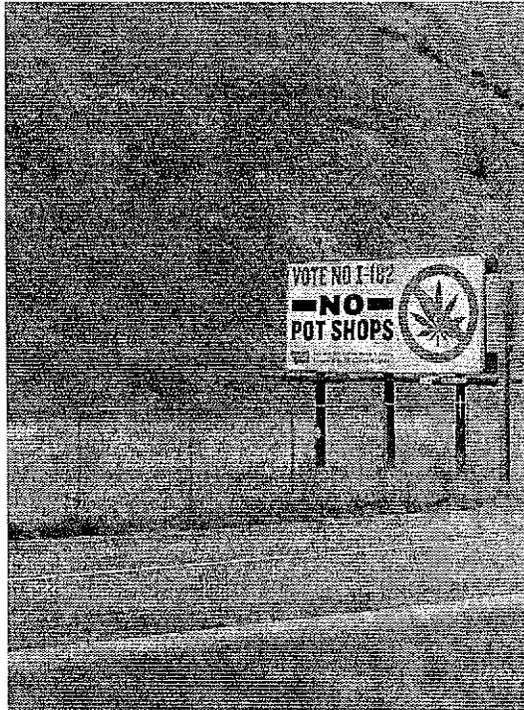
Safe Montana billboard in Helena (1)



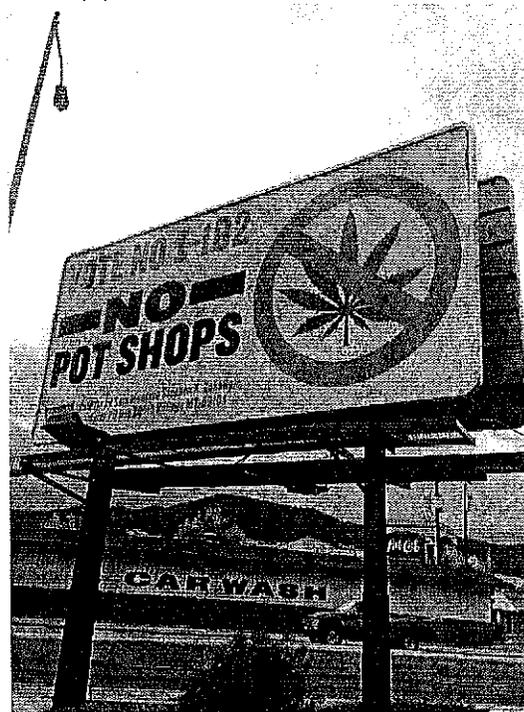
Safe Montana billboard in Helena (2)



Safe Montana billboard in Missoula (1)



Safe Montana billboard in Missoula (2)



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NO POT SHOPS



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SafeMontana.org

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