

BEFORE THE COMMISSIONER OF
POLITICAL PRACTICES OF THE STATE OF MONTANA

Strandberg v. Cooney No. COPP 2020-CFP-001	DISMISSAL
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On January 13, 2020, Greg Strandberg, a resident of Missoula, MT, filed a campaign practices complaint against Mike Cooney, a 2020 candidate for Montana Governor. The complaint alleges that candidate Cooney failed to report three campaign expenditures made to Emily Harris with sufficient detail description information to fully or properly describe the specific services provided.

SUBSTANTIVE ISSUES ADDRESSED

This decision addresses the sufficiency of expense detail when reporting campaign expenditures and services of consultants.

FINDINGS OF FACT

The foundational facts necessary for this Decision are as follows:

Finding of Fact No. 1: Mike Cooney filed a C-1 Statement of Candidate as a candidate for Governor of Montana with the COPP on July 2, 2019. Emily Harris is listed as the campaign's Deputy Treasurer. (Commissioner's Records.)

Finding of Fact No. 2: On October 7, 2019, candidate Cooney timely filed his initial C-5 campaign financial report, dated June 1 through September 30, 2019. (Commissioner's Records.)

Finding of Fact No. 3: On January 7, 2020, the Cooney campaign filed a required periodic campaign financial report, dated October 1 through December 31, 2019. Included on this report were three identical expenditures of \$8,800.00 made by the campaign to Deputy Treasurer Harris for “Campaign management consulting services including budget management, fundraising, travel, candidate staffing, day-to-day operations”, dated October 8, October 31, and December 2 of 2019. (Commissioner’s Records.)

Finding of Fact No. 4: A COPP inspection of the Cooney campaign’s January 7 financial report, begun on January 8 by COPP Compliance staff and completed on January 14 by the COPP Investigator, identified additional campaign expenditures where additional detail description information was required to fully or properly describe the activity. None of the three expenditures reported as being made to Deputy Treasurer Harris were noted on the inspection report requiring additional detail. This inspection report was sent to campaign Treasurer Edward Tinsley and Deputy Treasurer Harris via email on January 17, 2020. (Commissioner’s Records.)

Finding of Fact No. 5: On January 24, 2020, the Cooney campaign emailed the COPP an addendum to its January 7 financial report providing additional detail description information to describe those expenditures noted on the relevant inspection report. The addendum provided adequate information to fully describe those expenditures. (Commissioner’s Records.)

Finding of Fact No. 6: On January 24, 2020, the Cooney campaign submitted its formal response to this complaint to the COPP via email. The response stated that “the campaign *did* itemize to the best of its ability the traditional campaign management duties performed by Ms. Harris”, and further clarified the specific duties or services she was compensated for. The response affirmed that each expenditure was made to Deputy Treasurer Harris in the amount of \$8,800.00, as listed in the financial report. This response stated that the compensation was provided “for Ms. Harris’s personal services as campaign manager—a role that includes managing all aspects of the campaign such as budgeting, accompanying the candidate to events, and providing other services consistent with this traditional campaign leadership role. Where Ms. Harris has been reimbursed for a discrete sub-expense (distinct from her personal services), the campaign has separately reported these expenditures with the appropriate level of detail (*e.g.* 10/15/2019 expenditure for “Reimbursement for national fundraising travel - meal at Magnolia Restaurant”)”. The response

went on to provide additional information as to what was meant by use of the terms "budget management", "travel", and "day-to-day operations". (Commissioner's Records.)

DISCUSSION

Montana campaign finance reporting requires quantity and detail description information to fully describe campaign expenditures, 44.11.502(7), ARM:

For purposes of the disclosure requirements of 13-37-229 and 13-37-232, MCA, the "purpose" of each expenditure as reported on the commissioner's campaign finance reporting forms shall specifically describe the purpose, quantity, subject matter, as appropriate to each expenditure, and must be detailed enough to distinguish among expenditures for similar purposes. For example, two expenditures for direct mail advertisements should not both be reported as "Flyers."

Further Mont. Code Ann. §13-37-229(2)(b) specifies:

Reports of expenditures made to a consultant, advertising agency, polling firm, or other person that performs services for or on behalf of a candidate or political committee must be itemized and described in sufficient detail to disclose the specific services performed by the entity to which payment or reimbursement was made.

In this matter, the complainant focuses on three different campaign expenditures reported by candidate Cooney: separate but identical \$8,800.00 expenditures paid out by the Cooney campaign to Treasurer Emily Harris for "Campaign management consulting services including budget management, fundraising, travel, candidate staffing, day-to-day operations", dated October 8, October 31, and December 2, of 2019. Each, according to the complainant, lacks "enough information, as per MCA 13-37-229" as "there are lots of generalities...but few specifics". In examining the allegation, the Commissioner must determine whether or not the reported line item is an accurate reflection of the expenditure.

First, the entity to whom payment was made was clearly disclosed by the campaign. During the COPP investigation, no evidence was uncovered to doubt that the campaign correctly reported Emily Harris as the entity to whom payment was made by the campaign on any of the three occasions.

Second, no evidence was uncovered to question that she was paid any amount different than what the campaign reported, \$8,800.00, on each of three occasions (FOF No. 6).

Finally, is the detail description information provided for the expenditure/s, “Campaign management consulting services including budget management, fundraising, travel, candidate staffing, day-to-day operations” adequate to identify the specific services provided, as required under the provisions Mont Code Ann. §13-37-229(2)(b)? Previous COPP decisions have held that generic terms such as “Campaign services” do not provide this required detail (see COPP-2018-CFP-008, *Rhoades v. Engen*); terms such as “Consulting”, “General Consulting Services”, and “Research” are additional examples of common descriptions that the COPP does not consider to disclose the specific services provided. Descriptions such as ‘digital fundraising consultation’, ‘voter outreach strategy development’, ‘social media advertising consulting’, ‘Volunteer coordination’, or a combination of position and/or consultant responsibilities are considered acceptable by the COPP for disclosure purposes. An examination of Ms. Harris’ role as provided by the campaign is consistent with the description provided in the campaign finance report (FOF No. 6). In this matter, the description provided “Campaign management consulting services including budget management, fundraising, travel, candidate staffing, day-to-day operations” is deemed sufficient and in line with guidance provided by the COPP. The allegation is hereby dismissed.

Summary

Many candidates and committees utilize individual consultants, consulting firms, or other specialized individuals to provide campaign staffing, fundraising assistance, messaging and media strategy, polling, research, or other, similar professional services. Providing a level of detail to these types of

expenditures is an important element to understand the nature of the expenditure.

While it is not practical or necessary to require candidates and committees to itemize each hour of time or singular task performed by a consultant, consulting firm or other professional on the campaign financial reports, expenditures of this nature must include enough detail description information to identify “the specific services provided”. As an example, the “campaign management consulting services including budget management, fundraising, travel, candidate staffing, day-to-day operations” as discussed in this decision describes the services performed by the entity on behalf of the candidate. Please note Montana candidates and committees do, however, need to maintain appropriate documentation of the transaction¹. Providing adequate detail and description as required on campaign finance reports is easily remedied by the internal processes developed by the Commissioner’s office. COPP works with candidates and campaigns through guidance and education as well as finance report inspections. This collaborative inspection process has been an effective tool in ensuring proper disclosure and remediation of potential issues prior to any action such as an Order of Noncompliance or formal Complaint.

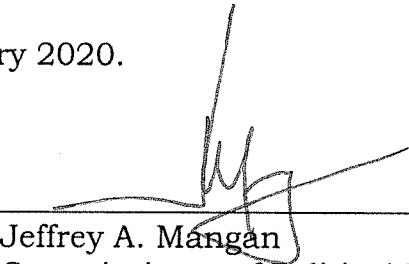
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¹ 44-11-502 (6), ARM - All expenditures must be supported by a contemporaneous written agreement, invoice, billing statement, or similar documentation appropriate to the transaction that describes the services provided, the billing period identifying the specific dates on which services were provided, an itemized basis for the payments made, and other pertinent information.

DECISION

The Commissioner hereby dismisses the complaint.

DATED this 31st day of January 2020.



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