

May 28, 2026

VIA EMAIL

Luke Douglas, Chief Legal Officer

Arizona Secretary of State's Office

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Re: Complainant's Reply to Respondent's Response, SOS-CF-2026-014

Dear Mr. Douglas:

Thank you for forwarding the May 28, 2026 response from Thomas Basile of Statecraft Law on behalf of Arizonans for Responsible Growth (AFRG). I am submitting this reply within the June 11, 2026 deadline.

Here is the part the response does not say plainly: AFRG already fixed the exact problem this complaint identified. On May 21, 2026, one week after your office accepted this complaint, AFRG filed an amended May Pre-Election report that moved all \$130,000 of the Shipley Strategies mail spending off Schedule E1 (Operating Expenses) and onto Schedule E2a (Independent Expenditures). That is precisely the correction the complaint asked for. The response treats that correction as a reason to dismiss. It is the opposite. It is an admission that the original report was wrong.

The response makes three arguments. The amendment defeats all three.

I. AFRG amended the report to do exactly what the complaint requested.

The timeline tells the story:

- **May 4, 2026.** AFRG files its May Pre-Election report (Report ID 385175). The four Shipley Strategies payments totaling \$130,000 are on Schedule E1, Operating Expenses.
- **May 10, 2026.** I file this complaint, alleging those payments are independent expenditures that belong on Schedule E2a.
- **May 14, 2026.** Your office accepts the complaint and opens an initial review.
- **May 21, 2026.** AFRG files an amended May Pre-Election report (Report ID 393258) moving all \$130,000 to Schedule E2a, Independent Expenditures.

A committee does not amend a report to correct something that was already correct. AFRG corrected the precise error the complaint identified, one week after the complaint was accepted. The response itself concedes the underlying point: it states that the description of the disbursements as "in support of" the named candidates "denoted them as independent expenditures." We agree. They were independent expenditures. They were originally filed on the wrong schedule. AFRG has now moved them to the right one.

II. The "no legal force to the schedule" argument is contradicted by AFRG's own amendment.

The response's first argument is that AFRG disclosed all of the items A.R.S. § 16-926(B)(3)(I) and (H) require, so it does not matter that the spending sat on Schedule E1 instead of E2a. The two filings, side by side, show that is not true. Here is what changed when AFRG amended:

Field	Original report (385175, Schedule E1, filed 5/4)	Amended report (393258, Schedule E2a, filed 5/21)
Schedule	E1 (Operating Expenses)	E2a (Independent Expenditures)
Transaction type	(none)	Independent Expenditure - Pay Cash/Check
Category	Communications - Mailings	Communications - Mailings
Memo	"Mail for SRP elections in support of [16 named candidates]"	(same)
Election identified ("Benefits")	(none)	"SRP Agricultural District Elections Districts 2,4,6,8,10,12,14"

The original Schedule E1 entries carried only the vendor name, address, category, and a memo. They did not carry the "Independent Expenditure" transaction type, and they did not identify the election. The amended Schedule E2a entries added both. If the original report already disclosed everything the

statute requires, there was nothing to amend. AFRG amended anyway. The amendment is the proof that the original disclosure was incomplete.

The schedule is not a cosmetic label. A.R.S. § 16-926(B)(3) requires "an itemized list of all disbursements... in the following categories," and then sets out the categories, including operating expenses at (B)(3)(a) and independent expenditures at (B)(3)(l). The categories are the statute's structure. Reporting an independent expenditure as an operating expense skips the itemization the statute assigns to independent expenditures. That is the violation, and AFRG's amendment is what fixing it looks like.

III. The complaint is not moot, and A.R.S. § 16-938(G)(1) does not apply.

The response's strongest-sounding argument is mootness: AFRG corrected the report, so under A.R.S. § 16-938(G)(1) it "is not subject to any penalty," and any referral would be futile. That argument misreads the statute.

A.R.S. § 16-938(G)(1) provides that an alleged violator is not subject to penalty if it "[t]akes corrective action within twenty days after the date of the issuance of the notice of violation by the enforcement officer." That safe harbor is keyed to a notice of violation. No notice of violation has issued in this matter. The complaint is at the initial-review stage, before any reasonable-cause determination and before any referral to the Attorney General. AFRG cannot claim the benefit of a twenty-day cure window that runs from a notice of violation that does not exist.

More fundamentally, § 16-938(G) is about penalty. It is not about whether a violation occurred. The question your office accepted this complaint to answer is whether the original report violated § 16-926. The answer does not change because AFRG corrected the report after the fact. The amendment is evidence that the original report was wrong, not a reason to treat the original report as if it never happened. Whether any penalty is ultimately limited or avoided under § 16-938(G) is a question for the enforcement officer after referral. It is not a basis for the Secretary to decline to find reasonable cause now.

IV. The violation is not "insignificant," and the complaint is not harassment.

The response asks your office to dismiss for "insignificance" under the Elections Procedures Manual, and calls me a "partisan (or simply idle) complainant" engaged in "tedious carping on technical minutiae."

The E1 versus E2a distinction is the opposite of insignificant. It is the difference between \$130,000 disclosed as independent expenditures, identifying the candidates and the election, and \$130,000 reported as ordinary operating expenses. That is the entire purpose of the independent-expenditure reporting category. AFRG itself did not treat the distinction as insignificant. It filed an amended report to fix it.

The response's point that AFRG "already had reported the same expenditures... pursuant to the so-called Voters' Right to Know Act" does not help. The Voters' Right to Know Act is a separate statute with a separate reporting regime. A VRKA filing does not satisfy the requirements of A.R.S. § 16-926. The committee's reports to the Secretary of State have to be accurate on their own terms.

As for the "partisan or idle complainant" label: name-calling is not a defense to a reporting violation. Your office reviewed this complaint and accepted it for initial review. A complaint that produces a corrected \$130,000 disclosure within a week of acceptance is not harassment. It is the complaint process working exactly as the Legislature designed it.

V. What I am asking for.

I respectfully request that the Secretary of State:

- 1.** Decline to dismiss SOS-CF-2026-014 and continue the initial review your office opened on May 14, 2026.
- 2.** Find reasonable cause to believe that AFRG's original May Pre-Election report (Report ID 385175) violated A.R.S. § 16-926 by reporting \$130,000 of independent expenditures on Schedule E1 (Operating Expenses) rather than on Schedule E2a with the disclosures required by A.R.S. § 16-926(B)(3)(I) and § 16-926(H).
- 3.** Treat AFRG's May 21, 2026 amended report (Report ID 393258) for what it is: an admission that the original report was misfiled, and a correction of it. The correction supports a reasonable-cause finding; it does not moot one. The disposition should memorialize both the original violation and the corrective action.
- 4.** Decline the request to dismiss for "insignificance," and decline to adopt the response's characterization of the complainant.

5. To the extent your office finds reasonable cause, refer the matter to the Attorney General under A.R.S. § 16-938(C)(1). Whether A.R.S. § 16-938(G) limits any penalty in light of AFRG's amendment is a question for the enforcement officer, not a reason to forgo the reasonable-cause determination.

Thank you for your continued attention to this matter.

Respectfully,

[REDACTED]

[CITY REDACTED]

[EMAIL REDACTED]

[PHONE REDACTED]

Record cited in this reply

- Response under reply: Thomas Basile (Statecraft Law), "SOS-CF-2026-014: Response to Complaint," May 28, 2026; forwarded by Luke Douglas (SOS) on May 28, 2026.
- Original report: Arizonans for Responsible Growth (Committee #101777), 2026 May Pre-Election, Report ID 385175, filed May 4, 2026. Four Shipley Strategies LLC payments (04/03 \$60,000; 04/08 \$25,000; 04/21 \$20,000; 04/28 \$25,000; total \$130,000) reported on Schedule E1 (Operating Expenses), category "Communications - Mailings," memo "Mail for SRP elections in support of [16 named candidates]."
- Amended report: Arizonans for Responsible Growth (Committee #101777), Amended 2026 May Pre-Election, Report ID 393258, filed May 21, 2026. Same four payments re-listed on Schedule E2a (Independent Expenditures), transaction type "Independent Expenditure - Pay Cash/Check," with the added field "Benefits: SRP Agricultural District Elections Districts 2,4,6,8,10,12,14."
- A.R.S. § 16-926, Campaign finance reports; contents (subsection (B)(3) itemization by category; (B)(3)(a) operating expenses; (B)(3)(l) independent expenditures; (H) independent/ballot-measure expenditure report).
- A.R.S. § 16-938, Enforcement authority; investigation; reasonable cause (subsection (C)(1) referral; subsection (G)(1) corrective action within twenty days of a notice of violation).