

COMMISSIONER OF
POLITICAL PRACTICES



STATE OF MONTANA

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January 17, 2014

Senator Dee Brown
Chairperson
State Administration and Veterans' Affairs Interim Committee
PO Box 201706
Helena, MT 59620-1706

Dear Senator Brown:

You asked that I provide a response as to how much time is spent by this Office's audit staff identifying, and then seeking information on, inadequate disclosure of address, occupation and employer ["basic information"]. We do not keep data on basic information audit time but all six staff (and in particular the 3 primary audit staff) have discussed this question. The consensus is that 15% of audit time is spent identifying, and seeking provision of, this basic information. The Commissioner's Office has not further sought this basic information through adjudication or other means so the only time involved is audit time.

With the 15% time base in mind, audit staff spend from 5 minutes (district candidate, few transactions) to 8 hours (a statewide candidate report with hundreds of contributions or expenses) auditing a single report. The shorter audit time means that all information, including basic information, was reported. Still, the audit work involved the time necessary to check the adequacy of the basic information reported.

There are hundreds of hours spent in audit time in an even numbered year, with the basic information work constituting 15% of that time. In way of explanation, except for certain local candidates spending less than \$500, all candidates for public office in the State of Montana, as well as certain

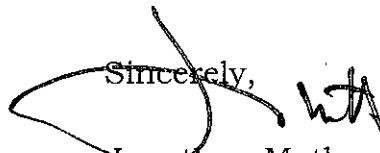
organized groups of people (political committees and party committees) are required to file reports of money contributed to and/or expended in candidate and ballot issues campaigns in Montana. The Commissioner's Office has conducted 20 day audits of these reports for almost 40 years. See Section 13-37-121 MCA.

In a typical even year election cycle, such as 2014, this Office accepts reports from 300 legislative candidates (at least 3 reports each), 30 other district candidates (at least 3 reports each), 12 statewide candidates (at least 8 reports each), 275 county candidates (at least 3 reports each), 130 political committees, including parties (at least 3 reports each) and 50 ballot issue/incidental committees (at least 8 reports each). In total there are 20 day audits on at least 2700 campaign reports during even election years.

The audits confirm that information disclosed meets Montana law. Montana's reporting laws uniformly mandate disclosure. A candidate or committee "shall file" [13-37-225 MCA], "shall file" on time [13-37-226, 228 MCA], "shall disclose" contribution information [13-37-229], and "must disclose" [13-37-230] expenditure information. In turn, contribution limits on amounts are mandatory: "not to exceed" [13-37-216] or "may receive no more" [13-37-218]. The campaign management is also mandatory: "shall appoint" a treasurer and "shall designate" a depository."

The three audit staff are Mary Baker, Karen Musgrave and Kym Trujillo. Between them they have 20-plus years of experience in auditing campaign reports. They find that in most instances the basic information can be efficiently provided by a candidate or committee paying learned attention to Montana's campaign practice laws. Mary, Karen and Kym are responsible for engendering this learned attention as they work directly and informally with a candidate or committee to correct deficiencies. Montana law requires that a campaign report auditor "shall immediately notify the person of the noncompliance." In general, candidates and committees learn to routinely provide this basic information or, in cases where a contributor refuses to respond, to inform the Commissioner of the best information they have.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Motl', is written over the word 'Sincerely,'.

Jonathan Motl

Commissioner of Political Practices
State of Montana