



GOVERNMENTAL ETHICS COMMISSION

<https://ethics.kansas.gov>

Danedri Herbert
Treasurer for Kris Kobach
223 W Main Street
Gardner, KS 66030

July 16, 2019

Notification of Material Error or Omission
In A Receipts and Expenditures Report

RE: Receipts and Expenditures Report Due January 10, 2019
(Covering the Period October 26, 2018 thru December 31, 2018)

A review of your Receipts and Expenditures Report identified above indicates the material error(s) or omission(s) listed on the other side of this page. Such error(s) and omission(s) must be corrected within thirty (30) days of the date of this notice.

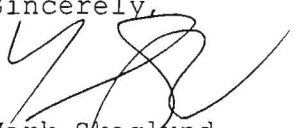
File the amended report within thirty (30) days with:

Secretary of State
120 SW 10th
Memorial Hall
Topeka, KS 66612

As provided by law, a copy of this notice has been made a part of your record in the Secretary of State's Office. The intentional failure to file an amended report within thirty (30) days is a class A misdemeanor. In addition, you may not accept contributions or make expenditures following the end of the thirty (30) day period if the amended report has not been filed.

Additional information and assistance may be obtained by writing or calling this office. If after having contacted this office substantial issues remain unresolved, you may within ten (10) days of receipt of this notice request a hearing before the Commission.

Sincerely,


Mark Skoglund
Executive Director

1. Schedule C (Expenditures and Other Disbursements) of the January 10, 2019 report lists expenditures totaling \$304,852.40, yet the cash available this period indicates a balance of \$275,512.37. An amended January 10, 2019 report must be filed disclosing the source of funds used to make \$29,340.03 in expenditures.

2. Schedule D (Other Transactions) of the July 30, 2018 report lists loans payable totaling \$1,543,933.75, and the October 29, 2018 report lists additional loans payable in the amount of \$683,350.00 to Willis E. Hartman. These loans are not carried forward as loans payable to the January 10, 2019 report, nor are they disclosed on Schedule C (Expenditures and Other Disbursements). **All loans should be listed on Schedule D (Other Transactions) until such time as they are repaid or forgiven.** An amended January 10, 2019 report must be filed disclosing the disposition of these debts.

3. Schedule A (Contributions and Other Receipts) lists a \$2000 cash contribution on 11-2-18 with the notation "Anonymous X" and "Raffle Donations of Less Than 20". K.S.A. 25-4154 (b) states, "No person shall give or accept any contribution in excess of \$10 unless the name and address of the contributor is known to the individual receiving the contribution." An explanation for this \$2000 must be provided. If the campaign is not aware of the names of the contributors for the \$2000 in raffle donations, \$2000 must be expended in a non-political manner since these would be illegal contributions. An explanation of these contributions must be provided in a letter to the Commission.

4. K.S.A. 25-4153 (a)(1) states, "The aggregate amount contributed to a candidate and such candidate's committee . . . shall not exceed the following: for the pair of offices of governor and lieutenant governor or for other state officers elected from the state as a whole, . . . \$2000 for each primary election . . . and an equal amount for each general election." The Kobach campaign reported receiving the following contributions:

<u>Date</u>	<u>Contributor</u>	<u>Amount</u>
10-03-18	Thomas Devlin	\$2000
10-27-18	Thomas Devlin	\$2000
		\$4000

10-25-18	Financial Literacy PAC	\$1789.71
10-26-18	Financial Literacy PAC	\$1789.71
		\$3579.42
10-22-18	HLK, LLC	\$2000
10-27-18	HLK, LLC	\$2000
		\$4000
10-22-18	KBK, LLC	\$2000
10-27-18	KBK, LLC	\$2000
		\$4000
10-19-18	Herbert Krumsick	\$2000
10-27-18	Herbert Krumsick	\$2000
		\$4000
10-19-18	Kathy Krumsick	\$2000
10-27-18	Kathy Krumsick	\$2000
		\$4000
11-02-18	Lewis M. Mull Oil Account	\$2700
10-11-18	Andrew McDowell	\$2000
10-27-18	Andrew McDowell	\$2000
		\$4000
10-02-18	Edward Pugh	\$1000
10-11-18	Edward Pugh	\$1000
10-26-18	Edward Pugh	\$1000
		\$3000
10-03-18	Restoring Our Nation PAC	\$2000
10-27-18	Restoring Our Nation PAC	\$2000
		\$4000
10-19-18	Sixty-Four Hundred, LLC	\$2000
10-27-18	Sixty-Four Hundred, LLC	\$2000
		\$4000

All of these contributions were received during the general election period.

Pursuant to K.S.A. 25-4153, the campaign accepted contributions in excess of the legal limit amounting to \$19,279.42. We would suggest that these contributions be refunded immediately. The return of these contributions

should be noted on Schedule C (Expenditures and Other Disbursements) of the January 10, 2020 Receipts and Expenditures Report.

5. Schedule A (Contributions and Other Receipts) of the October 29, 2018 report lists a \$2000 contribution from Jamie Coulter and the January 10, 2019 report lists three additional \$2000 contributions from Jamie Coulter. These contributions are all reported as received on October 26, 2018. It appears this \$2000 contribution has been reported multiple times. If so, an amended Schedule A must be filed removing the multiple entries. However, if the campaign did receive more than one, \$2000 contribution from Jamie Coulter during the general election period, the campaign has received excess contributions from Jamie Coulter. The excess contributions must be refunded immediately and noted on Schedule C (Expenditures and Other Disbursements) of the January 10, 2020 Receipts and Expenditures Report.
6. Schedule A (Contributions and Other Receipts) of the January 10, 2019 report lists two, \$2000 contributions from John McCarthy on 11-5-18 and two, \$2000 contributions from Taylor Crane & Rigging, Inc. on 11-2-18. It appears these contributions are duplicate entries. If so, an amended Schedule A must be filed removing the duplicate entries. However, if the contributions are not duplicate, the campaign has received \$2000 in excess contributions from John McCarthy and \$2000 from Taylor Crane & Rigging, Inc. The excess contributions must be refunded immediately and noted on Schedule C (Expenditures and Other Disbursements) of the January 10, 2020 Receipts and Expenditures Report.
7. According to the Candidate Last Minute Contribution Report filed on 11-1-18 by the Kris Kobach campaign, the following contributions were received by the campaign:

<u>Date</u>	<u>Contributor</u>	<u>Amount</u>
10-26-18	Paul Joseph Carter	\$500
10-26-18	McPherson County Republicans	\$300
10-26-18	Brenda J. Martin	\$1000
10-27-18	Cassandra R. McDowell	\$2000
10-27-18	Cheri Pugh	\$1000

These contributions were not reported by your campaign on the January 10, 2019 report. These contributions must also be reported on Schedule A (Contributions and Other

Receipts) on the January 10, 2019 report.

8. Schedule C (Expenditures and Other Disbursements) of the January 10, 2019 report shows expenses in the amount of \$1,579.91 for fuel costs. The candidate can not be reimbursed for fuel. When claiming reimbursement for fuel costs, the candidate can be reimbursed for mileage. The treasurer needs to keep detailed records for mileage expenditures showing the dates of travel, the necessity for and specific purpose of the travel, and the actual mileage traveled. It will be necessary for the candidate to reimburse the campaign account for the fuel purchased. This reimbursement must be disclosed on Schedule A (Contributions and Other Receipts) on the January 10, 2020 report. The candidate can be reimbursed for the miles driven at the state rate of 54.5 cents per mile. If done, this expenditure would be disclosed on Schedule C (Expenditures and Other Disbursements) on the January 10, 2020 report.
9. Schedule C (Expenditures and Other Disbursements) lists the following expenditures being made by the Kobach for Kansas campaign:

<u>Date</u>	<u>Expenditure</u>	<u>Amount</u>
10-29-18	Clarion Inn (Garden City)	\$734.19
10-29-18	McCoy Landscaping	\$2000.00
11-09-18	Capital Plaza Hotel	\$8984.26
11-13-18	Cummins, Coffman & Schmidtlein	\$3675.32
11-16-18	Genesis	\$64.50

Further explanation as to the purpose of these expenditures and how they are campaign expenses must be provided in a letter to the Commission.

10. Schedule C (Expenditures and Other Disbursements) lists the following expenditures being made for reimbursement of expenses:

<u>Name</u>	<u>Amount</u>
Adam Plunkett	\$556.94
Lynn Mowney	\$1364.19
Brady Wagner	\$422.95
Kerrick Kuder	\$392.00
Kris Kobach	\$626.75

For reporting purposes, it will be necessary for you to provide a more detailed description of the reimbursements for expenses. If any one expense was over \$50, it must be itemized.

11. K.S.A. 25-4148 (b) (7) requires that when an expenditure is made by payment to an advertising agency, public relations firm or political consultants for disbursement to vendors, the report of such expenditure shall show in detail the name of each such vendor and the amount, date and purpose of the payment to each. Expenditures were made to the following advertising agencies:

<u>Advertising Agency</u>	<u>Amount</u>
Sandlot Strategic, Inc.	\$3,500.00
1360 LLC	\$8,020.42
Celock Media Group LLC	\$3,000.00
White Sand Enterprises	\$41,623.72
Wizbang Solutions	\$40,000.00

Please submit the required supplemental information as an amendment to Schedule C on the January 10, 2019 Receipts and Expenditures Report.

If you have any questions, feel free to contact this office.