

YELLOW SHEET REPORT

NEWS NOTES AND GOSSIP

IT'S CAMPAIGN FINANCE DAY!

Q2 congressional fundraising reports show Arizona's top congressional fundraiser isn't in Congress, Gallego is sitting on nearly \$700,000 with no opposition and Mark Kelly has \$1.5 million more on hand than McSally. Campaign finance reports covering the fundraising quarter ending June 30 were due last night. The reports show who's sitting pretty heading into re-election, and who should be getting nervous right now. O'Halleran, for example, doesn't appear to have much to fear from his left flank, where former Flagstaff City Councilwoman Eva Putzova has raised just a fraction of what the congressman has in the bank. But Schweikert is falling far behind his presumptive challenger, Democrat Hiral Tipirneni, who had a stunning fundraising quarter, pulling in more than any of Arizona's congressional incumbents. Biggs is racking up debt, while CD9 GOP hopeful Dave Giles is so underwater he risks drowning. Below is a breakdown of congressional fundraising showing where candidates stand with the election still more than a year out. A more detailed and sortable breakdown can be viewed in the "documents" section ([LINK](#)).



NAME	DISTRICT	PARTY	TOTAL RECEIPTS	Q2 RECEIPTS	DEBT	Q2 DISBURSEMENTS	CASH ON HAND	Q2 BURN RATE
Mark Kelly	US Sen	DEM	\$8,363,174	\$4,242,065	\$0	\$1,499,990	\$5,942,764	35%
McSally	US Sen	GOP	\$6,592,588	\$3,399,992	\$0	\$1,132,196	\$4,376,711	33%
O'Halleran	CD1	DEM	\$586,121	\$341,323	\$0	\$131,958	\$396,047	39%
Eva Putzova	CD1	DEM	\$52,040	\$21,067	\$0	\$30,461	\$10,790	145%
Chris Taylor	CD1	GOP	\$16,665	\$16,665	\$0	\$6,709	\$9,956	40%
Kirkpatrick	CD2	DEM	\$670,718	\$275,783	\$0	\$128,481	\$359,818	47%
Mike Ligon	CD2	GOP	\$7,387	\$7,387	\$0	\$50,500	\$0	684%
Brandon Martin	CD2	GOP	\$27,649	\$21,518	\$0	\$11,104	\$15,753	52%
Joseph Morgan	CD2	GOP	\$15,053	\$9,566	\$0	\$7,627	\$4,276	80%
Grijalva	CD3	DEM	\$185,287	\$92,519	\$4,015	\$71,476	\$106,430	77%
Delina DeSanto	CD4	DEM	\$750	\$750	\$32,854	\$3,362	\$5,951	448%
Gosar	CD4	GOP	\$152,706	\$110,603	\$0	\$59,624	\$173,157	54%
Joan Greene	CD5	DEM	\$28,398	\$6,678	\$153,469	\$6,568	\$1,742	98%
Biggs	CD5	GOP	\$253,992	\$146,137	\$116,000	\$85,154	\$431,661	58%
Hiral Tipirneni	CD6	DEM	\$442,661	\$440,040	\$70,000	\$81,819	\$444,828	19%
Stephanie Rimm	CD6	DEM	\$130,780	\$130,780	\$100,000	\$42,794	\$87,985	33%
Anita Malik	CD6	DEM	\$59,704	\$58,719	\$0	\$14,944	\$50,085	25%
Schweikert	CD6	GOP	\$498,531	\$237,100	\$90,881	\$307,950	\$169,714	130%
Gallego	CD7	DEM	\$622,448	\$212,652	\$0	\$150,189	\$679,903	71%
Lesko	CD8	GOP	\$379,679	\$169,461	\$0	\$82,771	\$293,434	49%
Stanton	CD9	DEM	\$410,411	\$230,214	\$0	\$85,712	\$287,742	37%
Dave Giles	CD9	GOP	\$29,848	\$1,714	\$436,334	\$1,654	\$96	96%

TFW YOU'RE GETTING CRUSHED BY A DEM IN CD6

Hiral Tipirneni outraised Schweikert nearly two-to-one in CD6, according to Q2 campaign finance reports. Tipirneni brought in a whopping \$440,000 over the past three months, compared to Schweikert's \$237,000. The vast majority of Tipirneni's contributions came from individuals in small amounts, while Schweikert got a significant boost from a variety of PACs. Schweikert also burned through his cash much faster, partially because he was paying down legal debt due to his ongoing legal troubles ([YS, 4/16](#)). He spent 130 percent of what he raised this quarter, and heads into Q3 with just \$169,000 on hand, compared to Tipirneni's \$444,000. But Tipirneni hasn't secured the chance to go head-to-head with the congressman just yet. She will have a primary challenge against Anita Malik, the 2018 CD6 Democratic nominee, and newcomer Stephanie Rimmer. Malik brought in nearly \$60,000 this quarter and Rimmer raised \$130,000, though \$100,000 of that came from her. Tipirneni, who previously ran unsuccessfully in the special and general election against Lesko in CD8 last year, switched congressional districts, even though she does not technically live in CD6 ([YS, 2/1](#)).



LAWYERS ARE STILL EXPENSIVE



Schweikert has paid out well over a quarter million to two law firms representing him and his staff in his ongoing ethics investigation. After paying down roughly \$200,000 of his debt to Holtzman Vogel Josefiak Torchinsky this quarter, he still owes the firm, which is handling his ethics investigation, roughly \$91,000. Schweikert is also paying the legal fees for four staffers who have refused to cooperate with his ongoing ethics investigation ([YS, 6/12](#)). The Office of Congressional Ethics report listed 14 people who refused to cooperate with

investigators, including Kevin Knight, the deputy chief of staff; Katherina Dimenstein, the legislative director; Ashley Sylvester, the office manager/press assistant; and Ernestina Borquez-Smith, the director of constituent services. Schweikert has been paying their legal bills, according to the Q2 report. He has hired the Holland & Knight law firm to represent his staffers.

JUST WHAT THE WORLD NEEDS, ANOTHER NATIONAL PODCAST

Watch out, Obama bros on "Pod Save America." Steele and Jimmy Zuma, the Washington correspondent for Tucson's "John C. Scott Show," launched a new podcast today explaining national politics from a liberal perspective. Steele started working in radio in the '70s, and hosted a weekly political radio show in Tucson from November 2018 until May. She talked frequently with Zuma on that show as well, and the podcast, "Wait What? Politics with Zuma and Steele" will have similar topics but aim to reach a national audience, she said. "The point of it is to give people a chance to really get well-informed on issues so when they're across the table from their grumpy old uncle, they have talking points," Steele said. The first episode, "Alex Acosta, Jeffrey Epstein and the creepy rich men of Palm Beach and Manhattan" posted this morning. Steele said she expects the next podcast to include interviews from a National Organization for Women conference she'll attend this weekend in Minneapolis. The show isn't just a hobby, Steele said, adding that she and Zuma are working out the business side of it and setting up an LLC. Steele said she might take a hiatus during campaign season, or just make sure she's not talking about her campaign and Arizona issues on the show. "We're not going to get local," she said. "It's not going to necessarily be about Arizona politics."

THEY WON'T BREAK THE PEACE THEY MADE HERE TODAY

Turf Paradise, a Phoenix-based horse-racing track, has decided not to sue over a new state law requiring simulcast companies to give all three Arizona racetracks the same deal. General Manager Vince Francia told our reporter the track's legal team decided there was no point to suing. Turf Paradise's relationship with Monarch Content Management LLC, which broadcasts races in the Southwest, has been a point of contention for months and led Borelli to push a bill regulating simulcast companies. Monarch provides its signal to all three tracks, but only Turf Paradise can show races broadcast by Monarch at off-site bars and restaurants. Arizona Downs, which reopened this year, wanted to show the broadcasts at its off-track betting sites but Monarch wouldn't agree, saying it would hurt business by dividing the betting market. Borelli's law, which takes effect Aug. 27, would require Monarch to sell to Arizona Downs on the same terms as it does to Turf Paradise. Monarch and Turf Paradise were considering seeking an injunction in federal court as late as last week, but Turf Paradise, at least, has given up that fight. "We're more interested in bringing peace to the kingdom and among the racetracks," Francia said.

POLITICS IS FULL OF WITCHES THOUGH

Brnovich spokesman Ryan Anderson pushed back on our reporter's recap of Brnovich's failure to secure penalties for elected officials who seemed to have broken the law ([YS, 7/10](#)), saying the AG's Office isn't interested in engaging in "political witch hunts" against elected officials. "There are cases in which I think we would've loved to charge people because we think there are individuals who are maybe exploiting the system or taking advantage of the system, but the burden of proof for criminal prosecution is so high that you don't just indict people for the sake of headlines or for the sake of hoping that maybe, crossing your fingers, it'll stick with a jury," Anderson said.

Put more bluntly, Anderson added, "as general practice in our criminal division, we don't just throw sh*t against the wall and hope it sticks." That doesn't mean that AG's Office is gun shy about pursuing cases. Like former attorney Terry Goddard, Anderson pointed to public corruption cases Brnovich has pursued at the local level. For example, a Brnovich lawsuit prompted a superior court judge to rule that a Window Rock school board member must resign for failing to meet the qualifications to serve in elected office ([LINK](#)), and the AG's Office pursued felony theft charges against a former mayor in Florence ([LINK](#)). "Those are different because in the cases where we've done that, we have found real crimes where people have embezzled, stolen money. There is a smoking gun, a fingerprint," Anderson said. "If the evidence is there, and there is an actual likelihood of conviction – and I don't mean 100 percent – if there is a real likelihood of conviction, we're going to pursue the case." And he noted that our reporter's review of past Brnovich investigations omitted one high-profile case in which the AG's Office vigorously pursued a statewide elected official, Republican Susan Bitter Smith. Brnovich petitioned the state's Supreme Court to have the then chairwoman of the Corporation Commission ruled ineligible to hold office. In late 2015, Brnovich cited her ties to companies like Cox Communications and the Southwest Cable Communications Assn, companies the Corporation Commission is responsible for regulating, as evidence that Bitter Smith was disqualified from office. Bitter Smith resigned roughly two weeks after the Supreme Court granted Brnovich's motion to consider the case, citing the case as a distraction to her work as a regulator ([LINK](#)). After Bitter Smith removed herself from public office, Brnovich closed the case – Mia Garcia, the AG's spokesman, said the office was primarily investigating a criminal breach of the state's conflict of interest statute, as attorneys in the AG's criminal division determined there was "insufficient evidence" to bring a criminal case against Bitter Smith ([LINK](#)).



YOU THINK LAWMAKERS WRITE LAWS THAT WAY ON PURPOSE?

As for cases in which Brnovich has opted against filing charges, there’s always been a good reason for those decisions, whether it’s a civil or criminal case, Anderson said. For example, Brnovich’s investigation of Gowan could never prove that the former House speaker had intent to violate the law, and as for the \$12,000 Gowan repaid the state for his use of state vehicles and unearned per diem and mileage, that was as violation of ADOA policy, Anderson said, not something Gowan could have been criminally prosecuted for. As for Reagan, “she did break the law. She failed to send out the publicity pamphlets” during the 2016 election, Anderson said. But the law doesn’t specify a consequence for her actions, Anderson added. “There is no penalty in statute for what she did.” In the most recent investigation, Clodfelter’s actions might have constituted lobbying, but the law is clear: It’s only a crime if Clodfelter was paid as a lobbyist, and the evidence didn’t support prosecution.



BRNO IS TO REAGAN AS COMEY IS TO CLINTON



Paul Charlton, former US Attorney for Arizona, said Brnovich and his staff’s decisions about when to prosecute public corruption cases, and when not to, reflect how difficult those cases are to bring before a jury. “I think they are generally calling balls and strikes based upon the facts,” Charlton said of career prosecutors in the Attorney General’s Office. Without such clear-cut evidence – for example, videotapes in the AzScam case of Republican and Democratic lawmakers accepting payments and bribes from undercover investigators – even high profile cases of corruption can be challenging to prove before a jury. “History is replete with high profile corruption cases

that end up badly for the government because juries want to see what they read about in books in novels or what they see on television: They want to see the cash handed to the politician, and they want to see the politician agreeing to do something inappropriate,” Charlton said. Absent that, prosecutors are often faced with questions of proving intent, which can make or break a case. Charlton agreed with former Attorney General Terry Goddard’s assessment ([YS, 7/12](#)) that Brnovich’s decisions to speak publicly about some cases, even in the event the AG’s Office opts against prosecuting someone, is “a very powerful tool.” But Charlton added that it’s a risky tool, “and one with a great deal of controversy attached to it.” Charlton compared the tactic to a decision by former FBI Director James Comey’s decision to publicly denounce Democratic presidential candidate Hilary Clinton’s email use while announcing that he wouldn’t pursue charges against her. “Many people criticized Jim for publicly declining to prosecute Clinton but naming her misdeeds,” Charlton said, adding that some have blamed Comey’s action for directly impacting the presidential election. There are some parallels to that circumstance with Brnovich’s handling of Reagan’s missteps in mailing voter information pamphlets in 2016. The law had clearly been broken, but there is no penalty for breaking the law prescribed in statute, and thus no rationale for Brnovich to charge Reagan. In lieu of charges, Brnovich chastised Reagan, and his criticism arguably harmed the secretary of state’s re-election bid in 2018.

·PRESS RELEASES AND NEWS CLIPS·

McSally to Facebook: I Don't Trust You

McSally Grills Facebook on Repeated Violations of Privacy

U.S. SENATE — Today, U.S. Senator Martha McSally (R-AZ) grilled the head of Facebook's new cryptocurrency on digital privacy after repeated violations of not only U.S. regulations, but also consumer trust.

During a U.S. Senate Committee on Banking, Housing and Urban Affairs hearing to examine Facebook's proposed digital currency and data privacy considerations, McSally pointedly questioned David Marcus, the head of Facebook's subsidiary Calibra, about why Americans should trust a new Facebook product when Facebook's track record shows that they should not.

"Mr. Marcus, I don't trust Facebook and it's because of the repeated violations of your users' privacy, repeated deceit, and I am not alone," **McSally said**. "As you know, in 2011 there was a consent decree with the Federal Trade Commission related to your privacy practices so that's where it started there with investigative bodies but it hasn't ended. Even after that consent decree, Facebook is under investigation again and the FTC has approved a fine for about \$5 billion just recently because of your repeated violations of your users' information. For example, without users' permission, sharing personal profile information with outside software developers, selling that off again, data breaches, allegations that you've repeatedly changed users' privacy settings without notice. The SEC, of course, is also investigating events around the sale of personal information from Facebook. The office of the United States Attorney General has an investigation into unauthorized collection of 1.5 million Facebook users' email contact databases—on and on and on. There's allegations of bugs that 'Oh, sorry we didn't mean to allow them to download photos.' I mean it's one after another after another after another.

"Instead of cleaning up your house, now you're launching into another business model with Calibra here and you've got documents that talk about your privacy commitment for Calibra. In that privacy commitment you say that you won't be sharing account information or financial data with Facebook or any third-party without customer consent, so *how do we know that this isn't going to change and how do we know that you're actually going to do that based on your track-record of failing and violating and deceiving in the past?*" [WATCH](#)

Congressman Biggs' Statement on Trump Administration's Rule Change to Address Asylum Law Abuse

GILBERT, ARIZONA – Yesterday, President Donald Trump announced a major rule change designed to reduce asylum abuse at our southern border. Under the rule, most migrants will be ineligible for asylum if they passed through Mexico or another Central American country that isn't their home country before reaching the United States without applying for and being denied protection. Congressman Biggs released the following statement:

"I applaud President Trump's commitment to securing the border, encouraging Mexico to crack down on illegal immigration, and closing the loopholes that are exploited by hundreds of thousands of aliens and cartels. Yesterday's announcement from the Department of Justice and the Department of Homeland Security will disincentivize the abuse of our asylum laws by requiring most migrants to first seek asylum in countries they transit before they are eligible to apply for asylum in the United States.

"In May, I, and a number of my House colleagues, [sent a letter to Acting U.S. Secretary of the Department of Homeland Security, Kevin McAleenan](#), recommending similar actions to enforce safe-third country laws. The crisis at the border can be solved, but only if Congress joins the President in making meaningful reforms to secure the border and eliminating these loopholes for illegal entry. I will continue to work in the House towards this end."

BREAKING: Rep. Kirkpatrick Calls for Impeachment Inquiry into President Donald Trump

(Washington) — Today, Rep. Kirkpatrick released the following statement on opening an impeachment inquiry into President Donald Trump.

“After meeting with countless Southern Arizonans, reading the Special Council’s report, and seeing the President and his administration defy Congressional subpoenas — I have concluded that the United States House of Representatives must open an impeachment inquiry into President Donald Trump,” **said Rep. Kirkpatrick.** “Following Mueller’s alarming report, it is Congress’ job to conduct oversight and deliver answers to the American people. Instead, the President has called upon his administration officials to ignore Congressional subpoenas and break the law, not just related to the Special Counsel’s investigation into collusion, but all areas of Congressional oversight — including census hearings, campaign finance violations, family separation, and so many more.

“As a Congresswoman, former prosecutor, and American citizen — I have a responsibility to stand up for the rule of law and defend our Constitution. This should not be made into a partisan fight or a debate about long-term election strategy, it’s about protecting our democracy. Nobody is above the law, especially not the President.”

See floor speech [HERE](#)

New Ad Calls Arizonans To Action In The Fight To Protect State’s Safety Net Hospitals

(Phoenix)— Health care advocates released a new ad in Arizona calling attention to impending cuts to the Medicaid Disproportionate Share Hospital (DSH) program and calling on constituents to urge their Senators to protect Arizona’s safety net hospitals.

The DSH program supports Arizona hospitals that serve a sizable number of Medicaid beneficiaries and uninsured patients. Industry experts warn that proposed cuts would be unsustainable for struggling safety net hospitals, especially in rural areas, and could force some of them to not only reduce services but also close their doors. If scheduled cuts to the DSH program are not postponed, Arizona hospitals could lose \$52.4 million the first year and double that number the following year.

Earlier this month, health care advocacy groups from across the state sent a letter to the Arizona congressional delegation urging them to ensure continued funding for the DSH program. Signers of that letter include Progress Now Arizona, Planned Parenthood Arizona, and Mountain Park Health Center, among others. That followed a bipartisan letter sent to Congressional leadership from 302 members of the House of Representatives calling for a delay in cuts to the DSH program. Six of Arizona’s nine representatives, including Democrats and Republicans, signed that letter. View the ad [here](#).

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”QUOTE
OF THE DAY”

“As general practice in our criminal division, we don’t just throw sh*t against the wall and hope it sticks.”

- Ryan Anderson, spokesman for Brnovich, on the Attorney General Office’s prosecutorial tactics