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STATE BOARD OF ELECTIONS



September 4, 2014

Mr. Jared DeMarinis
Director, Division of Candidacy and Campaign Finance
Maryland State Board of Elections
151 West Street, Suite 200
Annapolis, MD 21401-0486

Dear Mr. DeMarinis:

This letter serves as a complaint against:

- One State, One Future PAC
- Friends of Anthony Brown
- Martin – Lauer Associates

for inappropriate coordination and cooperation of campaign activities in contravention of Maryland Election Law and specific guidance from the Maryland State Board of Elections issued on January 29, 2014.

Specifically, the same individuals and consulting entities have been engaged by both One State, One Future PAC (“One State”) and the Friends of Anthony Brown (“Friends”) to work for the election of Mr. Brown in the November, 2014 gubernatorial election. The fact that these same individuals hold key advisory roles for One State and Friends raises significant cooperation and coordination issues as such individuals’ activities on behalf of each entity are by definition “coordinated” because no individual can act apart from herself. At a minimum, we request that the Board of Elections investigate the activities of the shared consultants and clarify the limitations upon an individual’s non-ministerial participation in similar purpose activities associated with support of a particular candidate for election in Maryland.

It is our belief and understanding of the letter and the spirit of the ‘no coordination’ requirement that it has been put in place to preclude activity exactly similar to that undertaken by the commonly retained fund raiser for Friends and One State. A fundraising coordinator working for multiple entities is implicitly acting in a ‘coordinated’ fashion because of such an individual’s unique knowledge concerning the contribution limits encountered by potential and existing contributors.

Specifically, we ask the board of elections to determine whether a finance consultant can serve both a campaign entity and independent expenditure PAC organized for the specific purpose of helping the candidate associated with the campaign entity. Finance consulting is not a ministerial role in a campaign. To be effective, it requires intimate knowledge of campaign strategy, timelines, and research. A finance consultant is also very intimately involved in the budgeting of a campaign and arguably plays the most important role in that budget – the revenue.

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Authority: Hogan-Rutherford Committee to Change Maryland, John C. Wobensmith, Treasurer

Further, we request a more in-depth review of activity previously reported on the June 16, 2014 Daily Record. Reporter Bryan P. Sears highlighted a number of activities of the One State and Friends that were reported in campaign finance reports and that raised questions about whether inappropriate activity coordination occurred between the PAC and campaign organization. It is clear from that report that One State and Friends share 'consultants and other third party vendors' expressly for the purpose of coordinating activities to further the Anthony Brown gubernatorial campaign.

In his report, Mr. Sears specifically reported a number of troubling 'coincidences', each of which might occur innocently individually, that examined as a whole create a troubling web of corroborating evidence that the circumstances are not coincidental at all. For example:

- During the Primary election campaign period, One State focused solely on the gubernatorial race and publicly overtly supported only Lt. Governor Brown's campaign efforts against his opponent, Douglas Gansler.
- Principals of VR Research and Varoga & Rice appear to have done opposition research for both Friends and One State.
- Reports by Friends and One State acknowledge that both engaged Martin Lauer Associates and that the fundraising and political consultant was paid more than \$30,000 in consulting fees by One State. Brown and Ken Ulman, his running mate for lieutenant governor, paid Martin-Lauer Associates \$168,300 and \$8,000, respectively, between 2013 and 2014, according to campaign finance records. Additionally, Sophia Silbergeld, who is listed as the contact on a number of fundraising solicitations for the Brown-Ulman campaign, worked at the Martin-Lauer firm at the same time as Chelsea Haddaway Williams. Williams is listed in state records as the chairwoman of the One Maryland, One Future PAC. The political action committee also hired a Washington law firm that worked for Brown's campaign. Reports filed by the political action committee this year show that the firm of Sandler Reiff Young & Lamb was paid nearly \$5,100. Brown's campaign paid the same firm more than \$45,000 between 2013 and 2014, according to campaign finance records.

Additionally, although not incorporated in detail into Mr. Sears report, the following facts are publically established:

- One State, One Future and Friends of Anthony Brown both use finance consultant Colleen Martin-Lauer.

Between January 31, 2014 and May 1, 2014, One State, One Future paid Martin Lauer Associates \$20,000 for fundraising expenses.

Between January 2013 and April 2014, Friends of Anthony Brown paid Martin Lauer Associates \$162,165.29 in fees for fundraising.

Between 2011 and 2012, Friends of Anthony Brown paid Martin Lauer Associates \$150,045.85 in fees.

- One State uses the same Financial Consultant as Anthony Brown's running mate, Ken Ulman

Authority: Hogan-Rutherford Committee to Change Maryland, John C. Wobensmith, Treasurer

Between January 31, 2014 and May 1, 2014 One State, One Future paid Susan Smith-Bauk \$10,000. [Maryland Campaign Reporting Information System]

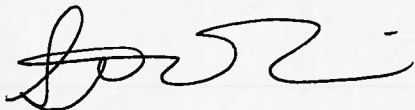
Between January 2013 and April 2014, Friends of Ken Ulman paid Susan Smith-Bauk \$165,469.09 in fundraising fees. [Maryland Campaign Reporting Information System]

Friends of Ken Ulman had used Smith-Bauk as a consultant dating back to at least 2006. [Maryland Campaign Reporting Information System]

This is the first gubernatorial election year in which independent expenditure committees may participate. We ask the State Board of Elections to move quickly to prevent coordination between One State and Friends before the harm done in this campaign by any illegal activity is irreversible.

To reiterate our complaint elements, we seek a determination upon the issue of whether the activities specified by the named individuals comprise 'coordinated activities', and if so, what sanction shall be imposed to address this inappropriate activity.

Respectfully,

A handwritten signature in black ink, appearing to read 'Steve Crim', with a stylized flourish at the end.

Steve Crim