

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

IN THE MATTER OF:

REBEL SNODGRASS,
In the Capacity as Candidate for
Rebel Snodgrass for Iowa

Case No. IECDB 2018-31

REPRIMAND AND CIVIL PENALTY

ETHICS BOARD ISSUES MAXIMUM FINES AND REPRIMANDS FOR
VIOLATIONS OF IOWA CAMPAIGN FINANCE LAWS

On September 17, 2020, the above-captioned matter came before the Iowa Ethics and Campaign Disclosure Board. The Ethics Board elects to handle this matter by administrative resolution rather than through a contested case proceeding process. See Iowa Admin. Code 351—9.4(2). For the reasons that follow, the Ethics Board hereby reprimands Rebel Snodgrass, in the Capacity as Candidate for Rebel Snodgrass for Iowa, and orders him to pay a civil penalty in the amount of \$500 for including a false attribution statement on a campaign mailer in violation of Iowa Code section 68A.405; and hereby reprimands Rebel Snodgrass, in the Capacity as Candidate for Rebel Snodgrass for Iowa, and orders him to pay a civil penalty in the amount of \$500 for failure to report on his committee’s October 19, 2019 report that it received production of the mailer as an in-kind contribution, in violation of Iowa Code section 68A.402A(1)(d).

BACKGROUND

In 2018, Rebel Snodgrass was the Republican candidate for Iowa House District 26. His opponent was the incumbent, Representative Scott Ourth, who is a Democrat.

On or about October 12, 2018, a letter was sent to every mail box in House District 26, which is located in Warren County. The letter's return address was the home address of Mr. Dan Kelley. The mailing also indicated it was "paid for by Dan Kelley for State Representative." The subject of the letter was Representative Scott Ourth. The letter was very critical of Representative Ourth and ended by saying "I urge you to vote for the Republican in this race." The letter indicated it is from Dan Kelley, although it was unsigned.

Mr. Kelley lived in Newton (Jasper County) and served in the Iowa House from 2011-2016 as the Representative for District 29. In 2010, Mr. Kelley registered the Dan Kelley for State Representative committee prior to his first election to represent Iowa House District 29. His committee remained open and his disclosure report filed January 12, 2018 indicated his committee had a negative cash-on-hand balance. Mr. Kelley had informed Board staff since the end of 2016 that his campaign committee did not have any money in it and the negative balance was the result of an accounting error that he needed to fix. Mr. Kelley was last on a public ballot in 2016.

Mr. Kelley was contacted by Board staff on October 16, 2018 about his letter to District 26 residents. He confirmed he sent it and indicated he sent it on his own. On October 19, 2018 through an attorney, he provided a written statement which stated he received a contribution from a friend to send the letter, which he claimed he would disclose on his January 2019 report.

In January 2019, Mr. Kelley's committee filed a campaign disclosure report which continued to show the committee with a negative balance. He reported two in-kind contributions from Spirit of 76 Consulting, LLC. Mr. Snodgrass, John Thompson, and Barry Snell co-own Spirit of 76, which is intended to be a low-cost printing business for campaigns and businesses. Spirit of 76 owns several machines but does not operate a storefront or publicly advertise its services. Mr. Snodgrass told Board staff that his intent for investing in the company was to help conservative candidates print campaign materials at lower costs and also to help his own business lower printing costs.

According to Mr. Kelley's committee's January 2019 report, the first contribution from Spirit of 76 was dated 10/12/2018 for \$1,330. The second contribution was dated 10/15/2018 for \$900. The report indicated both contributions were for "postage, shipping and delivery." Both included the following explanation: "Boost candidate through party support mailing."

Board staff spoke to Mr. Kelley again on August 9, 2019. He stated these in-kind contributions were for the letter he sent to District 26 residents. Mr. Kelley said John Thompson wrote the letter and Mr. Kelley approved it. Mr. Kelley said Mr. Thompson took care of the printing and mailing of the letter and provided Mr. Kelley with the amount to report on his campaign disclosure report.

Mr. Kelley said he met Mr. Thompson in the summer of 2018 when Mr. Thompson asked Mr. Kelley to switch political parties and offered to help him. Mr. Kelley said he had no discussion with Mr. Snodgrass about the letter other than to tell him after the fact that he (meaning Mr. Kelley) hoped the letter was

helpful. Mr. Kelley said he had no idea whether Mr. Snodgrass saw the letter in advance.

Board staff spoke to Mr. Thompson on August 23, 2019. He said he helped Mr. Snodgrass on his campaign but was not paid for his services. He described himself as a friend to Mr. Snodgrass. Mr. Thompson said Mr. Kelley wrote the letter to District 26 residents and Mr. Thompson edited it and added the graphics. Mr. Thompson said he used Spirit of 76 resources to print the letter. Mr. Thompson said he called Mr. Snodgrass and told him he was doing an “attack piece.”

On October 12, 2018, Peyton Parker, then a paid campaign staffer for Mr. Snodgrass, was seen at two post offices in District 26 mailing mass copies of the letter. Board staff talked to Mr. Parker and he acknowledged his involvement in the letter. He stated Mr. Thompson had the idea to do a “hit piece” on Representative Ourth. Mr. Thompson and Mr. Parker talked about the letter sometime around October 8. Mr. Parker said Mr. Thompson wrote the letter. Mr. Parker said Mr. Thompson printed the copies of the letter on Thursday, 10/11/18 at the Spirit of 76 warehouse.

According to Mr. Parker, he picked up the copies of the letter the next morning (10/12/18) from the Spirit of 76 warehouse and took them to Mr. Snodgrass’s office to sort and prepare for “every door direct mail.” Mr. Parker said the letter had to be bundled into sacks of 100 with facing slips related to the particular mail routes. Barry Snell, a Spirit of 76 co-owner, told Board staff that Mr. Thompson printed, sorted, and bundled the mailer.

Mr. Parker said he met Mr. Snodgrass at Mr. Snodgrass’s office around 11:30 a.m. on October 12, 2018. Mr. Parker said Mr. Snodgrass gave him \$2400 in cash for postage to send the letter. Mr. Parker sent most of the letters on Friday, October 12, 2018. He indicated he mailed the rest of the letters on October 15th or 16th. Mr. Parker said Mr. Snodgrass gave him some additional cash to finish the mailing. Mr. Parker estimated the letter cost approximately \$2500-\$2800 in postage to mail. In the other 4-5 Snodgrass campaign mailings made by Mr. Parker, Mr. Snodgrass gave him a campaign check to pay for the postage. Mr. Snell of Spirit of 76 questions this postage amount, given what was reported as the Spirit of 76 in-kind contribution to Mr. Kelley’s campaign account.

When Mr. Thompson told Mr. Snodgrass about the “attack piece,” he also told him that Mr. Parker should not be the one dropping it off at the post office. Mr. Thompson said he told Mr. Snodgrass he would send someone else to deliver

it. Mr. Thompson was concerned someone would recognize Mr. Parker from the Snodgrass campaign. Mr. Thompson also said he told Mr. Snodgrass they should pay for the postage with cash. Mr. Thompson said he does not know why Mr. Parker ended up delivering the letter to the post office.

In a later conversation with Board staff, Mr. Thompson said he directed Spirit of 76 to use cash for the postage. He refused to say who specifically at Spirit of 76 he talked to regarding cash. The other two co-owners are Mr. Snodgrass and Mr. Snell. It is the position of both Mr. Thompson and Mr. Snell that Spirit of 76 paid for the postage, but they declined to provide evidence of that assertion.

Board staff spoke with Mr. Snodgrass on August 30, 2019. He acknowledged Mr. Parker was a paid member of his campaign. Mr. Parker was paid \$12/hour and worked approximately 40 hours a week for the campaign. He worked from approximately 6/10/18 until he resigned shortly after the letter was mailed.

Mr. Snodgrass described Mr. Thompson as a friend and business partner. Mr. Thompson assisted Mr. Snodgrass in both his 2016 and 2018 campaigns. Mr. Snodgrass said Mr. Thompson encouraged Mr. Snodgrass to run again in 2018. Mr. Snodgrass called his 2018 campaign “chaotic.” He said the busiest time of year for his business, All American Exteriors, is from September to Thanksgiving. Mr. Snodgrass said he relied on Mr. Thompson for campaign messaging, demographics and statistics. Mr. Snodgrass said Mr. Thompson was not compensated for his work on the campaign.

Mr. Snodgrass said Mr. Thompson largely directed Mr. Parker on what to do for the campaign. Mr. Snodgrass said he (meaning Snodgrass) hardly told Mr. Parker what to do. Mr. Snodgrass denies knowing anything about the letter from Mr. Kelley until after it was mailed. He acknowledged he knew they were going to do an “October surprise” but he thought it was going to be on a different subject matter. He said the first time he read the letter was after it was mailed to residents. Mr. Snodgrass does not deny paying Mr. Parker for his services related to sending the Kelley letter to District 26 residents.

ANALYSIS

False Attribution Statement

Iowa Code section 68A.405 requires a “paid for by” attribution statement on “published material,” including “direct mailing,” that is “designed to expressly advocate the nomination, election, or defeat of a candidate for public office.” The attribution statement must disclose “who is responsible for the published material.” There is no question that Kelley’s letter to District 26 expressly advocated for the defeat of Mr. Snodgrass’s opponent and that it stated it was paid for by “Dan Kelley for State Representative.” However, this committee did not have any money and clearly did not pay for this mailing piece. Nor was Mr. Kelley its principal author.

The investigatory findings make clear that this was a Snodgrass campaign mailer. It was primarily written by Mr. Thompson, the Snodgrass campaign volunteer in charge of campaign messaging, in coordination with a paid campaign staffer and Mr. Kelley; it was delivered to the post office by that same paid campaign staffer; and the postage was paid, in cash, by monies delivered personally by the candidate to his paid staffer. We also do not find credible Mr. Snodgrass’s statement that he had not read the mailer until after it had been sent. He and Mr. Thompson had discussed an “October surprise” and Mr. Thompson had alerted him to this “attack piece.” Under these circumstances, it beggars belief that Mr. Snodgrass would have handed a young campaign staffer hundreds or thousands of dollars in cash for postage without reading the mailer first.

The Kelley letter to District 26 should have indicated that it was paid for by Mr. Snodgrass or his campaign committee. The failure to do so violated Iowa Code section 68A.405.

Failure to Report In-kind Contribution

Iowa Code section 68A.402A(1)(d) requires campaign committees to report “[t]he name and mailing address of each person who has made one or more in-kind contributions to the committee when the aggregate market value of the in-kind contributions in a calendar year exceeds the applicable amount specified in paragraph “b”.” For General Assembly candidates, as was Mr. Snodgrass, that amount is \$25. (Code section 68A.402A(1)(b)) Section 68A.102(17) defines “person” as “any individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, labor union, or any other legal entity.”

Accordingly, Mr. Snodgrass was legally obligated to report any in-kind contribution(s) from Spirit of 76, LLC that, in the aggregate, exceeded \$25 in any calendar year. The Ethics Board's rule at 351 IAC 4.53(2) defines an in-kind contribution, as follows:

"In-kind contribution" means the provision of any good or service to a committee without charge or at a charge that is less than the usual and normal charge for such good or service. If a good or service is provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the good or service at the time of the contribution and the amount charged the committee. An in-kind contribution also includes any expenditure that meets the definition of a coordinated expenditure in subrule 4.53(4).

While the exact amount of the Spirit of 76 in-kind contribution to the Snodgrass campaign is unclear, there is little question that it exceeded \$25. The two amounts (\$1330 and \$900) that Mr. Kelley's committee reported as in-kind contributions from Spirit of 76 were provided by Mr. Thompson. According to that report, these amounts were for "postage, shipping and delivery." In addition to the cost of paper and the printing costs, Mr. Snell noted that Mr. Thompson "worked on that job multiple days, cranking it out and getting it together." The calculation of the Spirit of 76 in-kind contribution would have to include the usual and normal charge for his labor, if not already included in "shipping and delivery."

Mr. Snodgrass, in his capacity as Candidate for Rebel Snodgrass for Iowa, failed to report any in-kind contribution from Spirit of 76. This failure violated Iowa Code section 68A.402A(1)(d).

SUMMARY

The Board's investigation showed a concerted scheme to hide Mr. Snodgrass's committee's involvement in the letter sent to District 26 residents. Iowa's campaign finance laws are intended to inform the public of who is responsible for campaign messaging so the public can evaluate the messaging based in part on the messenger. The letter to District 26 residents expressly advocated in favor of Mr. Snodgrass and clearly was intended to damage Mr. Snodgrass's opponent while appearing to be independent of the Snodgrass campaign. The false

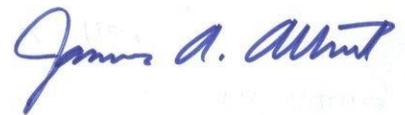
attribution statement and the failure to report the cost of the mailer's production as an in-kind contribution not only deprived the public of information concerning who was responsible for the letter, but misled it as well.

The Ethics Board finds Mr. Snodgrass, in his capacity as Candidate for Rebel Snodgrass for Iowa, violated Iowa Code 68A.405 by including a false attribution statement on a campaign mailer. Mr. Snodgrass is hereby reprimanded and ordered to pay a civil penalty in the amount of \$500 for this violation.

The Ethics Board also finds Mr. Snodgrass, in his capacity as Candidate for Rebel Snodgrass for Iowa, violated Iowa Code section 68A.402A(1)(d) by failing to report on the committee's October 19, 2019 report that his committee received production of the mailer as an in-kind contribution. Mr. Snodgrass is hereby reprimanded and ordered to pay a civil penalty in the amount of \$500 for this violation.

The Ethics Board has elected to handle this matter by administrative resolution rather than through a contested case proceeding. See Iowa Admin. Code 351--9.4(2). Pursuant to Iowa Administrative Code rule 351—9.4(3), Mr. Snodgrass may appeal the issuance of the reprimands and the issuance of the civil penalties by submitting within 30 days a written request for a contested case hearing.

By direction of the Ethics Board



James Albert, Chair
John Walsh, Vice Chair
Carole Tillotson
Jonathan Roos
Mary Rueter
Elaine Olson



CERTIFICATE OF SERVICE

The undersigned hereby certifies this order was sent by first class mail, address service requested, on September 18, 2020 to:

Rebel Snodgrass
17078 Illinois Street
Indianola, IA 50125

By: Michael E. Marshall
Michael E. Marshall, Executive Director
for the Board