

<p>STATE OF COLORADO SECRETARY OF STATE ADMINISTRATIVE HEARING OFFICER 1700 Broadway #550 Denver, CO 80290</p> <hr/> <p>BEFORE THE SECRETARY OF STATE, COLORADO DEPARTMENT OF STATE, <i>in re</i> ED 2024-36</p> <p>ELECTIONS DIVISION OF THE SECRETARY OF STATE,</p> <p>Complainant,</p> <p>vs.</p> <p>COLORADANS FOR PROPERTY RIGHTS, Respondent.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> <p>CASE NUMBER</p> <p>2024 AHO _____</p>
<p>COMPLAINT</p>	

Pursuant to § 1-45-111.7, C.R.S. (2024), the Elections Division of the Secretary of State files this complaint against Coloradans for Property Rights (the “Committee”).

BACKGROUND

1. To maintain their independence, independent expenditure committees are prohibited from making contributions that are coordinated with candidate committees.

2. Here, Coloradans for Property Rights, an independent expenditure committee under Colorado law, made a contribution to an affiliated political committee, Industrial Property Rights, which Industrial Property Rights used to fund contributions to candidate committees.

PARTIES

3. Complainant is the Elections Division (“Division”) of the Colorado Secretary of State.

4. Respondent is Coloradans for Property Rights, an independent expenditure committee registered with the Colorado Secretary of State, ID number 20225043912.

JURISDICTION AND VENUE

5. The Division has jurisdiction under § 1-45-111.7.

6. The Division files this complaint with a hearing officer consistent with § 1-45-111.7(5)(a)(IV).

7. This complaint is timely filed within thirty days of Division's September 6, 2024, Notice of Investigation, according to § 1-45-111.7(5)(a)(IV).

8. Venue is proper before the hearing officer under § 1-45-111.7(5).

ALLEGATIONS

9. Coloradans for Property Rights is an independent expenditure committee. It is affiliated with a political committee, Industrial Property Rights. As a political committee, Industrial Property Rights is permitted to make contributions to candidate committees, but independent expenditure committees, like Coloradans for Property Rights, are not.

10. On or about October 30, 2024, Industrial Property rights wrote 8 checks for contributions to 8 separate candidate committees supporting municipal candidates in the November 7, 2023, election. The next day, Coloradans for Property Rights made a \$725 contribution to Industrial Property Rights.

11. On information and belief, when Coloradans for Property Rights made its contribution to Industrial Property Rights, Coloradans for Property Rights knew that the money would be used to fund one or more of the contributions to the candidate committees.

12. On October 31, 2024, Industrial Property Rights delivered the 8 checks to the 8 candidate committees.

13. On information and belief, the Committee's contribution to Industrial Property Rights was used to fund contributions to one or more of the 8 candidate committees.

14. By using Industrial Property Rights as a conduit for a prohibited contribution, the Committee unlawfully contributed to one or more of the 8 candidate committees.

15. As part of a routine TRACER flag review, the Division identified the prohibited contributions and filed a complaint against the Committee under § 1-45-111.7(7), C.R.S. The complaint alleged that the Committee had made a prohibited contribution of \$725 to Industrial Property Rights for the purpose of funding one or more of Industrial Property Rights's contributions to the 8 candidate committees.

16. The Division offered the Committee Notice and an opportunity to cure. Within the cure period, Industrial Property Rights returned the \$725 contribution to the Committee.

17. However, the Division determined that there was no substantial compliance because the contribution was returned after the election and neither the Committee nor Industrial Property Rights were able to retrieve the contributions from the candidate committees.

COLORADO CAMPAIGN FINANCE LAW

18. Under Colorado law, independent expenditure committees are prohibited from coordinating their expenditures with candidate committees. Colo. Const. art. XXVIII, § 5; 8 CCR 1505-6, Rule 5.2.

19. A contribution from an independent expenditure committee to a candidate committee is a form of unauthorized coordination. 8 CCR 1505, Rule 5.2.

CLAIM ONE Unlawful Coordination (8 CCR 1505-6, Rule 5.2, C.R.S.)

20. All preceding allegations are incorporated.

21. In October 2023, the Committee made a contribution to Industrial Property Rights with the knowledge that the contribution would be used to fund one or more prohibited contributions to candidate committees.

22. This contribution, through a conduit, constituted unlawful coordination between the Committee and the candidate committee(s) to which it was ultimately directed.

23. The Division is entitled to relief under Article XXVIII of the Colorado Constitution and the Fair Campaign Practices Act, § 1-45-101 et seq.

PRAYER FOR RELIEF

WHEREFORE, the Elections Division prays for judgment and relief as follows:

- (a) Penalties to include appropriate fines as set out under Rule 23.3.3; and
- (b) Such other relief as is warranted by the facts and the law.

CLAIMS NOT PURSUED

1. The Division's initial complaint originally included a second claim: namely that the Committee had failed to disclose certain information related to three of its independent expenditures.
2. Based on information obtained during the Division's investigation, it determined that the Committee had not committed any violations related to those expenditures.
3. Accordingly, the Division is not pursuing any claims related to failure to disclose required information.

Respectfully submitted this 8th day of October, 2024.

PHILIP J. WEISER
Attorney General

/s/ Peter G. Baumann

PETER G. BAUMANN*
Senior Assistant Attorney General,
No. 51620
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 6th Floor
Denver, Colorado 80203
Telephone: 720-508-6152
Fax: 720-508-6041
peter.baumann@coag.gov
*Counsel of Record

CERTIFICATE OF SERVICE

This is to certify that I will cause the foregoing to be served this 8th day of October, 2024, by email and/or U.S. mail, addressed as follows:

Coloradans for Property Rights
C/O Registered Agent Katie Kennedy
2318 Curtis St.
Denver, CO 80205
katie@strategiccompliance.com
Respondent

/s/ Peter G. Baumann