

KANSAS GOVERNMENTAL ETHICS COMMISSION
Pursuant to K.S.A. Chapter 25

Mark Skoglund,)
Executive Director,)
)
)
Matt Watkins,)
Respondent.)
_____)

Case No. 2022 CF 1

Mark Skoglund,)
Executive Director,)
)
)
Tobias Schlingensiepen,)
Respondent.)
_____)

Case No. 2022 CF 2

STIPULATION

The parties in the captioned matters offer the following stipulations of fact to aid the Commission in the discharge of its duty of resolving the appropriate fine, if any, to be imposed on Respondents in connection with their respective *Notice of Civil Fine Determination and Hearing*.

The parties stipulate:

1. On 10/10/2022, the Commission served documents titled *Notice of Civil Fine Determination and Hearing* (the "Notices") on Respondents Watkins and Schlingensiepen.

2. The Notices itemized reporting errors in the following Receipts and Expenditures Reports filed with the Commission:

Reports signed by Watkins:

2.1. 1/10/2012 Kansas Democratic Party State Account.

2.2. 1/10/2012 Kansas Democratic Party Legislative Victory Fund – 3rd
District Account.

2.3. 7/30/2012 Kansas Democratic Party State Account.

2.4. 10/29/2012 (amended 1/7/2013) Kansas Democratic Party State
Account.

2.5. 1/10/2013 Kansas Democratic Party State Account.

2.6. 1/10/2014 Kansas Democratic Party State Account.

2.7. 7/28/2014 Kansas Democratic Party State Account.

2.8. 10/27/2014 (amended 10/28/2014) Kansas Democratic Party State
Account.

2.9. 10/27/2014 Kansas Democratic Party Legislative Victory Fund – 2nd
District Account.

2.10. 10/27/2014 Kansas Democratic Party Legislative Victory Fund – 3rd
District Account.

2.11. 1/10/2015 Kansas Democratic Party State Account.

2.12. 1/10/2015 Kansas Democratic Party Legislative Victory Fund – 2nd
District Account.

2.13. 1/10/2015 Kansas Democratic Party Legislative Victory Fund – 3rd
District Account.

Reports signed by Schlingensiepen:

2.14. 1/10/2016 Kansas Democratic Party State Account.

2.15. 1/10/2016 Kansas Democratic Party Legislative Victory Fund – 3rd
District Account.

3. On 10/6/2022, the Commission received a letter from Vicki Hiatt, Chair, Kansas Democratic Party (the "Letter"). A true copy of the letter is attached to this Stipulation as Exhibit 1.

4. The Letter was sent to the Commission following the completion of an audit conducted by the Kansas Democratic Party on its Receipts and Expenditures Reports. This audit was conducted with the assistance of Commission staff. Respondents were not notified of the audit while it was underway, or of the result of the audit prior to the issuance of the Letter¹.

5. The Letter documents and details reporting errors in the Receipts and Expenditures Reports for the Democratic Party for reporting periods from 2009 to 2016, and it amends and corrects the identified reporting errors, including those errors contained in the Notices.

6. The Letter notes that the Kansas Democratic Party agreed to disgorge \$89,042.99 to 501(c)(3) charities in October, 2022, to remedy errors attributed to contributions from unknown sources in its Receipts and Expenditures Reports.

7. As of the date of hearing, the Kansas Democratic Party has disgorged the funds promised in the Letter².

8. Respondents admit that the attachment to the Letter referenced in paragraph 3 accurately sets forth the errors and omissions of the Respondents in the subject reports.

¹ The Executive Director does not have personal knowledge of the last sentence of this stipulated fact, but he has no reason to believe it is untrue.

² The Executive Director does not have personal knowledge of this stipulated fact, but he has no reason to believe it is untrue.

9. With respect to the reporting errors listed in the Notices, the parties stipulate:

9.1. at all relevant times, Respondents served as treasurers for the subject funds on an unpaid, volunteer basis³;

9.2. regarding the report preparation, review, and submission process, Respondents, in their respective capacities as treasurers, would receive "final" Receipts and Expenditures Reports prepared by Kansas Democratic Party staff for their review and signature 1-2 days prior to the filing deadline. Respondents understood that by the time they received the "final" report, the following procedures had been followed by Kansas Democratic Party staff⁴:

9.2.1. contributions were received and expenditures were made (and itemized) by the finance director or director of operations in the ordinary course of business;

9.2.2. from the business records created by the finance director or director of operations, a Kansas Democratic Party compliance consultant would prepare a draft Receipts and Expenditures Report, using the consultant's additional resources including third-party donation systems (VAN and Act-Blue). The compliance consultant would counsel with the finance director or director of operations regarding any discrepancies or issues, and then the consultant would transmit its Receipts and Expenditures Report to the executive director;

³ The Executive Director does not have personal knowledge of this stipulated fact, but he has no reason to believe it is untrue.

⁴ The Executive Director does not have personal knowledge of this stipulated fact (to wit, 9.2 and subparts 9.2.1 to 9.2.4), but he has no reason to believe it is untrue.

9.2.3. the executive director would review the draft Receipts and Expenditures Report from the consultant and transmit a final Receipts and Expenditures report to the treasurer for review and signature; and

9.2.4. the final Receipts and Expenditures report transmitted to the treasurer was a compilation of voluminous records, and it did not include the underlying records.

9.3. Respondents did not profit or otherwise benefit from the reporting errors⁵;

9.4. the Kansas Democratic Party's disgorgement of funds attributed to contributions from unknown sources in its Receipts and Expenditures Reports demonstrates the Kansas Democratic Party has not profited or otherwise benefitted from the reporting errors;

9.5. Respondents have manifested an acceptance of responsibility for their respective reporting errors by, *inter alia*, entering into this stipulation of facts and admitting the reporting errors alleged did occur;

9.6. the Kansas Democratic Party has amended and corrected the identified reporting errors for all periods when Respondents served as treasurer;

9.7. the reporting errors were brought to the attention of the Commission by the self-report of the Kansas Democratic Party, following an audit conducted by the Kansas Democratic Party of its own Receipts and Expenditures Reports;

⁵ The Executive Director does not have personal knowledge of this stipulated fact, but he has no reason to believe it is untrue.

9.8. Neither Respondent is presently serving as treasurer for the Kansas Democratic Party, or for any of the funds at issue.

9.9. The pattern of errors and omissions itemized and identified in the audit report attached to the Letter predates both Respondents' service as treasurer, indicating the existence of reporting compliance issues prior to Respondents' service.

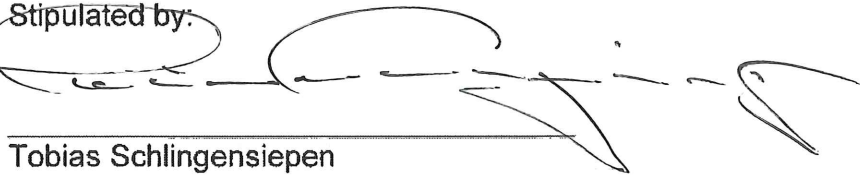
The parties stipulate to the foregoing facts, and they request that the Commission receive their stipulation in aid of the resolution of the issues contained in the Notices.

Stipulated by:



Matt Watkins
Respondent (2022-CF-1)

Stipulated by:



Tobias Schlingensiepen
Respondent (2022-CF-2)

Stipulated by:



Mark Skoglund
Executive Director