

Iowa Ethics and Campaign Disclosure Board
510 E 12th, Ste 1A Des Moines, IA 50319

Fax: 515-281-4073

Complaint Form

Iowa Code Section 68B.32B

RE:

Name of the subject of the complaint

Address, if known:

Subject's Street Address/Apt Number

City, State, Zip Code, Telephone Number if available

BY:

Name of Complainant (person filing the complaint)

Complainant's Address:

Street Address/Apt Number

City, State, Zip Code, Telephone Number

COMPLETE THE FOLLOWING SECTION OR ATTACH A SEPARATE DOCUMENT CONTAINING THE REQUISITE INFORMATION:

I, _____ hereby complain that _____
Name of Complainant Subject of Complaint

has committed an act or acts that violate the provisions of Iowa Code Chapter 68A (campaign finance), Chapter 68B (Executive Branch ethics & lobbying) or the Board's administrative rules in that on or about:

List date(s) on which conduct or action(s) took place

the subject of the complaint did the following (recite facts and actions taken that are believed to violate Chapter 68A, Chapter 68B or Administrative Rules adopted by the Board. Please cite the code or rule provision you allege has been violated.) If the space provided is inadequate, please attach additional sheet(s) to this form:

ALLEGATION: The Kim Reynolds for Iowa candidate committee has underreported the fair market value of an in-kind contribution from David North in the form of private jet service for Kim Reynolds and her husband to and from Memphis, Tennessee on or about December 30, 2017.

BACKGROUND: According to an Associated Press article, Governor Kim Reynolds and three of her family members flew to Tennessee to watch the Iowa State Cyclones play in the Liberty Bowl on December 30, 2017, on a plane owned by Sedgwick, a Memphis-based company that administers workers' compensation claims filed by injured state employees. *See* Ryan Foley, *Review: Iowa Gov. Kim Reynolds flew to Liberty Bowl on vendor's plane*, Des Moines Register (Sept. 13, 2018).¹ The Kim Reynolds for Iowa Schedule E for the 2017 reporting period discloses an in-kind contribution from David North for "Travel Flight" in the amount of \$2,880.00. *See* Ex. 1 (01/19/18 Kim Reynolds for Iowa Schedule E). Upon information and belief of the complainant based on reasonable investigation, North's company, Sedgwick, owns a 2010 Gulfstream G200. *See* Ex. 2 (flightaware.com flight registration information for N244S).

APPLICABLE LAW:

68A.402A Information disclosed on reports.

1. Each report filed under section 68A.402 shall disclose:

* * *

d. The 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". In-kind contributions shall be designated on a separate schedule from schedules showing contributions of money and shall identify the nature of the contribution and provide its estimated fair market value. *A committee receiving an in-kind contribution shall report the estimated fair market value of the in-kind contribution at the time it is provided to the committee.* A person providing an in-kind contribution to a committee shall notify the committee of the estimated fair market value of the in-kind contribution at the time the in-kind contribution is provided to the committee. For purposes of this section, the estimated fair market value of the in-kind contribution shall be reported regardless of whether the person has been billed for the cost of the in-kind contribution.

Iowa Code § 68A.402A.

¹ Available at <https://www.desmoinesregister.com/story/news/politics/2018/09/13/kim-reynolds-governor-flew-liberty-bowl-vendors-plane-iowa-state-football-cyclones-sedgwick-ethics/1291537002/>

351—4.17 (68A, 68B) Schedule E - In-kind Contributions.

4.17(1) *Reporting of all in-kind contributions; chronological listing.* The committee shall report the amounts of all in-kind contributions which are accepted by the committee during the reporting period. The schedule entries shall be listed in chronological order by the date on which the contribution is received.

* * *

4.17(5) *Description of in-kind contribution; loaned equipment as in-kind contribution.*

a. The schedule shall include a description of the good or service contributed to the committee in kind. The description shall be a clear and concise statement that specifically describes the transaction which has occurred.

b. A committee's use of equipment owned by another organization, committee, or individual is reportable as an in-kind contribution. Equipment includes, but is not limited to, typewriters, calculators, copy machines, office furniture, computers and printers.

4.17(6) *Fair market value.* The committee shall provide either the actual (if known) or estimated fair market value of the good or service received.

351 Iowa Admin. Code § 4.17.

ANALYSIS: Multiple quotes show that the fair market value of a chartered Gulfstream G200 from Des Moines, Iowa to Memphis, Tennessee costs an average of \$35,000 for a one-day trip. *See* Ex. 3 (Jet the World Quotation 09/13/18); Ex. 4 (Air Charter Service Quotation 09/13/18); and Ex. 5 (Private Fly Quotation 09/13/18). On the low end, the fair market value of a seat on a privately chartered Gulfstream G200 would be \$2,290 per passenger. At the high end, the fair market value of seat would be \$4,229 per passenger. On average, the fair market value of a seat is \$3,108 per passenger.

The Associated Press article indicated that Governor Reynolds and her husband accepted the flight in order to campaign. Thus, the campaign contribution should be valued at the fair market value of two seats on a chartered Gulfstream G200, which would be \$4,580 on the low-end, \$8,458 on the high-end, and an average of \$6,216. Either way, it appears that Kim Reynolds for Iowa failed to disclose the fair market value of the in-kind contribution from David North.

Additionally, the Associated Press article indicates that two other relatives traveled with Governor Reynolds on Sedgwick's Gulfstream G200. If those relatives participated in the campaign event on behalf of the campaign, then the fair market value of their seats also should be reported.

Names and addresses of persons other than yourself who are or may be witnesses to the above described activities:

Documents or other sources of information that relate to or are proof of the violation(s). Attach copies of documents to this form if available:

Schedule E: In Kind Contributions

Sch-E

Kim Reynolds for Iowa	Status: Filed	
Committee Type: Governor	Statutory Due Date	1/19/2018
County: _NA	Adjusted Due Date	
District: 0	Filed Date	1/19/2018 3:47:20 PM
Committee Code: 5173	Postmark Date	
Political Party: Republican	Amendment Date	3/6/2018 2:38:45 PM

Date	Name & Address of Contributor	Relationship to Candidate *(if applicable)	Description of in Kind Contribution	Estimated Fair Market Value	"X" for Fund-Raiser
11/28/2017	Rastetter, Bruce 10640 County Highway D20 Alden, IA 50006	None	Fund-Raiser (Holding) Food and beverages	\$1,862.20	
12/13/2017 Comm # 6118	Iowa Optometric Association 6150 Village View Drive Suite 105 West Des Moines, IA 50266		Fund-Raiser (Holding) Food and beverages	\$331.23	
12/15/2017	Hrdlicka, Joe 5462 Ponderosa Dr West Des Moines, IA 50266	None	Fund-Raiser (Holding) Food and beverages	\$141.15	
12/19/2017	Strawn, Erin C. & Matthew N. 702 SW Coventry Circle Ankeny, IA 50023	None	Fund-Raiser (Holding) Catering and hospitality expenses	\$327.92	
12/20/2017 Comm # 8681	RGA Right Direction PAC 1747 Pennsylvania Ave. NW Suite 250 Washington, DC 20006		Travel Travel	\$1,093.12	
12/29/2017 Comm # 6098	Iowa BEV PAC #6098 500 East Court Ave., Suite 112 Des Moines, IA 50309		Fund-Raiser (Holding) Food and beverage	\$200.00	
12/30/2017	North, David 300 Ensign Rd Bellevue, IA 52031	None	Travel Flight	\$2,880.00	

Total Estimated Fair Market Value	\$126,516.92
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10:37AM EDT [Dropdown] [US Flag]



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	\$19	\$68	\$178
			\$94

Registration/Tail #

N244S

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N244S Aircraft Registration

- Aircraft Summary

Summary

2010 IAI LTD GULFSTREAM 200
Fixed wing multi engine
(21 seats / 2 engines)

Owner

SEDGWICK AZURE INC
MEMPHIS , TN, US
(Corporation)

Airworthiness Class

Standard/Transport

Serial Number

235

Engine

P&W CANADA PW306A (Turbo-fan)
Thrust: 6040lbs

Weight

Over 20,000lbs

Speed

Not defined

Mode S Code

050440153 / A2406B

- Registration Details

Status

Assigned

Certificate Issue Date

2015-07-23

Airworthiness Date

2010-02-02

Last Action Date
2018-06-19

Expiration
2021-07-31

Registry Source
[FAA](#)

Registration History

Date	Owner	Location	Serial Number
24-Jul-2015	SEDGWICK AZURE INC	MEMPHIS TN	235
12-Nov-2010	WILMINGTON TRUST CO TRUSTEE	MEMPHIS TN	235
27-Oct-2006	SOUTHEAST AERO SALES INC	ST AUGUSTINE FL	1244
02-Jun-2006	KASS PETER D	BANGOR MI	35153

Jet The World:

Aircraft: Gulfstream G-200		Quote: 14353266 09/13/18 21:07 UTC						
Date	ETD	Depart	Arrive	ETA	Pax	ETE	NM	
10/04/18	11:32	DES MOINES, Iowa, US (KDSM)	MEMPHIS, Tennessee, US (KMEM)	12:54	2	1:22	426	
10/06/18	11:32	MEMPHIS, Tennessee, US (KMEM)	DES MOINES, Iowa, US (KDSM)	12:57	2	1:25	426	
						2:47	852	
<small>(All Times are shown in local time)</small>								
		Flight cost	1 @ \$34,080.00/trip					\$34,080.00
		FET/VAT Tax	\$34,080.00 @ 7.50%					\$2,556.00
						Total:	\$36,636.00	

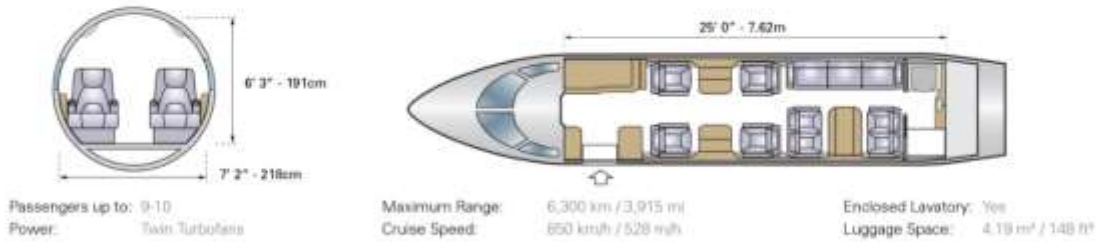
Message Please Note: This is the cash discounted price. If you choose to pay by credit card the total is 4% higher.

Amenities: Flight attendant available, Enclosed lavatory, CD player, DVD player, AirShow, Headsets, Lavatory, Lavatory sink, Wi-Fi (Ground based), 110V Outlet



Air Charter Quote:

Aircraft: Gulfstream 200 **Prepared By:** Alexandra Magliochetti
Seating capacity: Up to 9 passengers
Number of Passengers: Please note quotations are based on 4 passengers travelling with light baggage only.



Flight date	Departing from	Destination	Flight duration
Thursday 4 th October 2018	Des Moines (DSM)	Memphis (MEM)	1 Hour 30 Minutes

Charter Price: *USD 34,797.00 Fully Inclusive*

Private Fly Quote:

Thanks for your phone call.

I have talked to all three operators and I have already received new pricing. Please see all three options below:

Option 1: **Recommended **Excellent Pricing******Quote (Including FET): \$28 630.00**

Aircraft Type: Gulfstream G200

Year of Manufacture: 2000

Year of Refurbishment: 2005

No. of Seats: 10

Leg 1 Flight Time: 1 Hours 20 Minutes / Leg 2 Flight Time: 1 Hours 25 Minutes

Notes:*Leg 1 departs: 09:00 / Leg 2 departs: 15:35***Option 2:****Quote (Including FET): \$36 637.35**

Aircraft Type: Gulfstream GIV

Year of Manufacture: 1989

Year of Refurbishment: 2015

No. of Seats: 16

Leg 1 Flight Time: 1 Hours 30 Minutes / Leg 2 Flight Time: 1 Hours 30 Minutes

Notes:*Leg 1 departs: 09:00 / Leg 2 departs 16:40***Option 3:****Quote (Including FET): \$42 291.85**

Aircraft Type: Gulfstream G200

Year of Manufacture: 2004

Year of Refurbishment: 2004

No. of Seats: 10

Leg 1 Flight Time: 1 Hours 25 Minutes / Leg 2 Flight Time: 1 Hours 30 Minutes

Notes:*Leg 1 departs: 08:00 / Leg 2 departs: 15:00*

Please note all options are in the same order as presented in my previous Quote Summary.

Let me know how I can be of any further assistance and/or how you would like to proceed.

Best Regards,

-

Herminio Fuenmayor

U.S. Senior Flight Advisor

Tel (USA): (866) 726-1222

Tel (Europe): +44 (0)20 7100 6960

www.privatefly.com

CERTIFICATION BY COMPLAINANT

Required by Iowa Code section 68B.32B(1)

I certify under penalty of perjury pursuant to the laws of the state of Iowa that the preceding statements are true and correct to the best of my knowledge.

9/17/18
Date


Signature of Complainant

FOR OFFICE USE ONLY

This Complaint has been reviewed by me pursuant to the provisions of Iowa Code section 68B.32B(4). My evaluation of the Complaint to the Board Chairperson is that it:

is legally sufficient is not legally sufficient.

An evaluation that the complaint is legally sufficient signifies that the complaint has been accepted within the meaning of section 68B.32B(4). Notification to the subject of the complaint is normally made within three working days after this acceptance. Final determination as to whether the complaint is legally sufficient and should be investigated is made by the full Board.

Date

Board Legal Counsel

H:/general/office/forms/formal complaint.doc