

Page 5

1 the central committee.
 2 Q Okay. Is the treasurer a member of the executive
 3 committee?
 4 A Yes.
 5 Q To do those tasks, what sort of relationship with
 6 staff, what sort of information, documents were
 7 provided to you?
 8 A Staff and/or our compliance vendor would send me
 9 via e-mail every day a deposit record, typically
 10 once a week a list of bills being paid that week,
 11 once or twice a week a list of payables.
 12 And with respect to the campaign finance
 13 reports to this body and to the federal election
 14 commission, I would receive drafts of those
 15 documents via e-mail also.
 16 Q And the reason they were provided to you
 17 electronically is because of your -- because of
 18 your location. Is that because you weren't
 19 routinely going into the RPM offices here in
 20 St. Paul?
 21 A That is correct.
 22 Q When you received the documents, of course I'm
 23 assuming you would review them. If you had any
 24 questions, what would you then do at that point?
 25 A I would ask questions usually by telephone,

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1 occasionally in person of Mr. Ronald Huettl,
 2 occasionally of Chairman Tony Sutton.
 3 Q Okay. The type of questions you would ask would
 4 refer to?
 5 A It could be a variety of things. A deposit we
 6 received that day, I was curious about its
 7 background or how it happened, or if the number
 8 looked odd, that sort of thing; a bill that was
 9 unfamiliar to me or looked unusual in some day,
 10 typically those matters.
 11 Q The documents that you've described sound like
 12 they would be a reflection of activity that did
 13 occur, deposits that did occur, bills that were
 14 paid. Did you receive any reports on
 15 expenditures that the party had not yet made but
 16 was preparing to make?
 17 A The executive committee each month received a
 18 report, a list of payables. I saw that document
 19 and then I would see interim documents, as I said
 20 a moment ago. Typically once a week, I'll be hazy
 21 on whether it's once or twice, but with some
 22 regularity of what the payables were that were
 23 entered into the system.
 24 Q Okay. But when they were entered into the system,
 25 the obligation had already occurred at that

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1 point. I mean, whatever the service was had
 2 already been purchased or agreed to, at least?
 3 A That was my understanding.
 4 Q Did the executive committee or you ever have any
 5 interactions with expenditures before the party
 6 made them, in other words, with the approval --
 7 A No.
 8 Q -- process? Okay. Was there ever any --
 9 MR. MORGAN: Wait until he finishes the
 10 question.
 11 BY MR. SIGURDSON:
 12 Q So the executive committee wasn't involved with
 13 that process either, neither you, as treasurer, or
 14 the executive committee?
 15 A That is correct.
 16 MR. MORGAN: That is the approval
 17 process?
 18 MR. SIGURDSON: That's correct.
 19 BY MR. SIGURDSON:
 20 Q Was Mr. Sutton, then, given authority to determine
 21 what the party expenditures would be?
 22 A He exercised that authority.
 23 Q When you say he exercised that authority, was
 24 there ever any question about whether or not he
 25 had that authority?

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1 A The guidance I had was that our party documents,
 2 the constitution or the bylaws, I believe the
 3 bylaws, specified that the chairman had the
 4 authority to enter into contracts.
 5 Q Okay. I understand that you were also provided a
 6 document that was at least referred to as the
 7 budget versus actual financial report; is that
 8 correct?
 9 A That was part of the information provided each
 10 month to the executive committee. I would see it
 11 usually several days beforehand.
 12 Q Okay. And that was provided to you by?
 13 A Mr. Huettl.
 14 Q By Mr. Huettl. And then you would do what with
 15 this report?
 16 A I would review it, typically have several
 17 questions, just things that caught my attention,
 18 particularly in terms of percentage over or under
 19 budget, you know, and I would ask about those.
 20 Q Did you present this report to the executive
 21 committee?
 22 A Yes.
 23 Q Would it be fair to say that that was the primary
 24 means for the executive committee to understand
 25 the finances of the Republican Party?

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1 A They would receive several documents in their
 2 packet each month. That document, the list of
 3 payables, and then a cash on hand sheet which
 4 summarized our respective bank accounts.
 5 Q Okay. The budget that that document compared
 6 actual expenditures to, did the executive
 7 committee set the budget?
 8 A The budget was -- is approved each December by a
 9 larger group, the central committee.
 10 Q Okay. Could you just briefly help me understand
 11 the relationship between the central committee and
 12 the executive committee?
 13 A The central committee is the governing body of the
 14 party. It has about 350 members, meets twice a
 15 year, locally elected delegates.
 16 The executive committee is a group of
 17 approximately 14 which meets each month, has more
 18 direct contact with party operations.
 19 Q Now, the budget was approved by the central
 20 committee, but it had to be prepared or drafted,
 21 at least, by someone. Was that drafted by
 22 Mr. Sutton?
 23 A It was drafted by the staff, in consultation with
 24 the chairman. At some point after those steps, I
 25 reviewed it. The budget committee was appointed

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1 of five members of the executive committee,
 2 chaired by myself, which gave it a review. The
 3 executive committee looked at it and then passed
 4 it on to the central committee for its approval.
 5 Q During the course of the year, when the comparison
 6 was made between the budget and the actual
 7 financial status of the party, did the executive
 8 committee make adjustments to the budget?
 9 A Not in any formal way. There have been
 10 discussions about holding off on certain
 11 expenditures, but the decisions were made by the
 12 chairman about actual expenditures.
 13 Q I guess the point I'm trying to get to is, was the
 14 budget considered a true limit on expenditures or
 15 was it a guideline?
 16 A A guideline.
 17 Q Okay. Now, you said that Mr. Huettl reviewed that
 18 report to you prior to your presentating --
 19 presenting it to the executive committee?
 20 MR. MORGAN: Which report, Jeff?
 21 BY MR. SIGURDSON:
 22 Q I'm sorry. The budget versus the actual report.
 23 MR. MORGAN: What was your answer?
 24 THE WITNESS: That is correct.
 25 MR. MORGAN: Thank you.

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1 BY MR. SIGURDSON:
 2 Q During 2010, just that year, during 2010 did you
 3 ever have any indications from Mr. Huettl that the
 4 information on that report may not be complete?
 5 A No.
 6 Q Or any indication that it was inaccurate in any
 7 way?
 8 A No.
 9 Q Did you ever have any contact -- You had
 10 mentioned, when you were describing the duties of
 11 the treasurer, that you did have at least some
 12 oversight of vendors or contact with vendors. You
 13 may not have used the word oversight.
 14 Did you ever have any contact with
 15 vendors indicating that they had not been paid or
 16 they had a concern about payment?
 17 A Only once.
 18 Q And could you describe that, please?
 19 A A vendor called me in the middle of 2010 and said
 20 -- quoted the numbers. I've forgotten them now.
 21 MR. MORGAN: Do you know who the vendor
 22 was?
 23 THE WITNESS: Yes. The vendor was
 24 Mr. Greg Peppin, P-E-P-P-I-N, concerning direct
 25 mail, I believe. I told him I would inquire and

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1 see if I could get the matter taken care of, so I
 2 raised it with Mr. Huettl.
 3 BY MR. SIGURDSON:
 4 Q Was that an expenditure that was on that report,
 5 the monthly versus actual?
 6 A Yes.
 7 Q It was on there, he just had a question about when
 8 he'd be paid?
 9 A Yes.
 10 Q Okay. So you had no indication that there was any
 11 expenditures or any obligations that the party had
 12 that was not on the monthly versus the actual
 13 report?
 14 A That is correct.
 15 Q At some point did you find out that the
 16 information on that report apparently was
 17 inaccurate?
 18 A The only --
 19 MR. MORGAN: Can you, again, specify the
 20 report, Jeff?
 21 BY MR. SIGURDSON:
 22 Q I'm sorry. The budget versus actual financial
 23 report.
 24 A The only specific indication I received of that
 25 was sometime in the fall of 2011, not in 2010,

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1 concerning monthly payments for our rent.
 2 Q Okay. After Mr. Sutton's resignation, did you
 3 have any conversations that led you to find out
 4 that the actual versus budget report was
 5 inaccurate?
 6 A Yes.
 7 Q Can you tell us about that, please?
 8 A Mr. Huettl advised me very shortly after
 9 Mr. Sutton's resignation that there were bills,
 10 invoices, not entered into the system which were
 11 not known to me. He described them in general
 12 terms. And that, then, directly led to the
 13 process of bringing in Mr. Vekich and undertaking
 14 the internal review.
 15 Q Okay. What was your reaction to finding out from
 16 your -- from Mr. Huettl informing you of that?
 17 A Surprise, disappointment, concern for the party.
 18 Q When Mr. Huettl provided you that explanation or
 19 that information, I should say, did he provide any
 20 explanation as to why that information was not
 21 provided on the report?
 22 A He made one reference, that he was under direction
 23 not to share that information with me.
 24 Q Did he indicate who gave him that direction?
 25 A Mr. Sutton.

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1 MR. MORGAN: Was Mr. Huettl telling you
 2 that?
 3 THE WITNESS: Yes.
 4 BY MR. SIGURDSON:
 5 Q I'm trying to phrase this question so it doesn't
 6 require you to guess at anyone's motivation. But
 7 I am -- This is a key point. Do you have -- Do
 8 you believe that you understand why that
 9 information wasn't on the report?
 10 A No.
 11 Q Okay.
 12 MR. MORGAN: May I ask, Jeff, did
 13 Mr. Huettl supply you any reasons why that was
 14 done?
 15 THE WITNESS: No.
 16 MR. MORGAN: Thank you.
 17 MR. MORGAN: Sorry to interrupt.
 18 MR. SIGURDSON: That's fine.
 19 BY MR. SIGURDSON:
 20 Q In both 2009 and 2010, the Republican Party filed
 21 a series of reports and receipts and expenditures
 22 with the Board, as they're always required to do,
 23 including the year-end reports. Both of those
 24 reports were signed by you. Do you recall signing
 25 those reports?

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1 A Yes.
 2 Q Can you go through the process, how those reports
 3 were prepared for your signature?
 4 A You have the information from Mr. Huettl about the
 5 day-to-day handling of expenditures and receipts.
 6 That information was provided to the compliance
 7 company.
 8 They took that information, prepared the
 9 drafts of the reports for this organization, sent
 10 them to me for my review. I reviewed, in terms of
 11 a realistic review of the summary numbers, things
 12 that made sense on their face or that raised
 13 questions or ambiguities or conflicts, saw very
 14 few of those. The handful of times I did, I would
 15 ask Mr. Huettl, okay, how do these numbers jive,
 16 is there an addition error or something of that
 17 sort. He'd look into it and get it corrected, and
 18 then the report was filed.
 19 Q So you were dealing with Mr. Huettl and not
 20 with -- I believe the compliance company's named
 21 Cardinal?
 22 A Cardinals.
 23 Q Yes.
 24 A I dealt with them in a limited way. Occasionally
 25 a phone call or an e-mail inquiry, but not on a

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1 daily basis, other than they were sending the
 2 caging information and the other reports I
 3 mentioned via e-mail on a daily or weekly basis.
 4 Q Okay. Your review of the reports filed with the
 5 Board, is it fair to say that you were
 6 concentrating on the summary page information, by
 7 that I mean ending cash balance, total receipts
 8 received?
 9 A Yes.
 10 Q You didn't spend too much time on any line items
 11 of the report or --
 12 A Just a spot review.
 13 Q Did you ever have any reason to believe or suspect
 14 from the questions that you asked to Mr. Huettl on
 15 those reports or any response you received that
 16 the reports were inaccurate or incomplete?
 17 A No.
 18 Q Sometime -- And I'm hoping that you can provide us
 19 with some at least rough time frame when this
 20 occurred. Our understanding is at some point, the
 21 executive committee or at least some members of
 22 the executive committee started to doubt the
 23 accuracy of some of the reports they were
 24 receiving. This was before Mr. Sutton resigned.
 25 Can you walk us through that process, since you

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1 were sitting on, a member of the executive
2 committee?
3 A Several members of the committee brought questions
4 to executive committee meetings.
5 MR. MORGAN: Do you recall the time
6 frame of that?
7 THE WITNESS: This would have been the
8 summer of 2011.
9 THE WITNESS: They had done their own
10 research. I think some had -- At least one
11 perhaps had contacted some vendors. They gathered
12 information that raised questions.
13 Mr. Sutton's response to that was to
14 agree to the formation of a financial internal
15 review committee to study these matters.
16 BY MR. SIGURDSON:
17 Q So the questions that the executive committee
18 members were starting to raise were addressed to
19 Mr. Sutton and not to you?
20 A To me in terms of what did I know about these
21 matters that they had discovered. I gave them
22 truthful answers about what I knew from the
23 reports and our internal tracking information that
24 I've described earlier. They had questions from
25 Mr. Sutton, as well, since he was the individual

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1 who had the authority to enter into contracts.
2 Q Do you recall any particular issue that brought
3 this to a head? Was there a particular
4 expenditure or issue that an executive committee
5 member brought up?
6 A None singularly in particular. It was a
7 collection of concerns.
8 Q Now, the Financial Controls and Oversight
9 Committee, did you serve on that committee?
10 A No.
11 Q The goal -- Or can you kind of restate what the
12 job of that committee would be, then?
13 A To review the party's internal financial
14 operations to get a clearer understanding of the
15 questions that those individual members raised,
16 and to make recommendations to the executive
17 committee for improved internal procedures.
18 Q Were they reviewing, then, primarily procedures or
19 were they looking for records on a particular
20 expenditure?
21 A It was my impression it was primarily the former.
22 Q Looking at procedures?
23 A Yes.
24 Q Okay. Do you need to take a --
25 A May I take a short break?

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1 Q Sure.
2 (Break taken.)
3 BY MR. SIGURDSON:
4 Q What did the committee report back to the
5 executive -- I'm sorry -- the Financial Controls
6 and Oversight Committee report back to the
7 executive committee?
8 A Their review was ongoing. I think at the time
9 Mr. Sutton resigned, my best recollection, they
10 were working towards a goal of having specific
11 recommendations about financial controls probably
12 by the end of the year but had not prepared a
13 formal report.
14 Q Did they report in any way that there were in fact
15 unreported obligations or unknown obligations at
16 that point.
17 A One or two members raised that question as a
18 concern. There was not a specific finding from
19 the committee at that point.
20 Q Okay. What was your understanding of the method
21 used by the Financial Controls and Oversight
22 Committee to review the party procedures and
23 finances?
24 A I knew of this secondhand, but it was my
25 impression that they had talked with staff, had

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1 reviewed some of the documents. I don't know
2 which ones or how many or for how long.
3 Q Okay.
4 MR. MORGAN: Were you part of that
5 committee?
6 THE WITNESS: I was not.
7 BY MR. SIGURDSON:
8 Q Do you know if that committee -- After Mr. Sutton
9 resigned, did that committee come into possession
10 of any additional records at that point?
11 A Yes, chief- -- As I understand, chiefly through
12 the work of Mr. Vekich and Mr. Wyatt, who were
13 brought in as volunteer reviewers. And I was not
14 directly involved with that process either.
15 Q Prior to your resignation as treasurer, were some
16 of the recommendations of the Financial Controls
17 and Oversight Committee put into place? And, if
18 so, which ones?
19 A Not to my knowledge.
20 Q Okay.
21 A Again, my best recollection is they were deferring
22 a formal report until Mr. Vekich and Mr. Wyatt had
23 a chance to complete their work.
24 Q I see. I'm going to change the subject or the
25 direction of the questioning a little bit here.

Page 21

1 Taking you back to 2010, the general election,
 2 after the general election became pretty apparent
 3 that the Governor's race had been very close and
 4 that a recount at least might occur, in his role
 5 of chairman, Mr. Sutton made a public number of
 6 public statements about the need for a recount.
 7 Was the executive committee involved in
 8 the process of determining whether or not a
 9 recount would be requested?
 10 A Not that I recall. It was discussed at our
 11 November 2010 meeting. This would have happened a
 12 week or two after the election. I do not recall a
 13 formal -- If there was a formal action taken by
 14 the committee on that issue, I do not recall it.
 15 Q I suppose I'm asking the same question in a little
 16 bit different way, but... So you have no
 17 recollection, then, of Mr. Sutton being authorized
 18 by the executive committee to pursue a recount?
 19 A Not specifically. But I would note again that the
 20 broad language, he has, under our bylaws to enter
 21 -- or did have to enter into contracts on the
 22 Party's behalf. And that was presumably the
 23 guidance he thought he had. And I'm speculating.
 24 I shouldn't do that. The answer to your question
 25 is no.

Page 22

1 Q Since a recount or at least a statewide recount
 2 would not typically be anticipated, I'm assuming
 3 that it wasn't part of the budget approved by the
 4 central committee?
 5 A That is correct.
 6 Q Was there any authorization in terms of using
 7 Party resources for any part of the recount?
 8 A No.
 9 Q Was there any discussion at the executive
 10 committee on how a recount would be paid for or
 11 that there was a concern for the Party?
 12 A Not at that time.
 13 Q Okay. At any other time?
 14 A Well into 2011 questions were asked about the
 15 separate committee that was subsequently formed.
 16 Questions were asked about the relationship
 17 between that committee and the Party, which
 18 Mr. Sutton answered.
 19 Q Okay.
 20 A But at the time you're asking, no.
 21 Q Okay. At any executive committee meeting, did
 22 Mr. Sutton ever discuss an organization called
 23 Count Them All Properly, Incorporated?
 24 A To my best recollection, he did outline, perhaps
 25 as early as November 2010, though I'm not certain,

Page 23

1 the process following guidance, indeed issued by
 2 this committee, about the procedure.
 3 MR. MORGAN: You're referring to the
 4 Board?
 5 THE WITNESS: The Campaign Finance and
 6 Public Disclosure Board. Regarding a process
 7 where a separate entity could be created
 8 specifically for purposes of recount activity.
 9 BY MR. SIGURDSON:
 10 Q Do you recall if he said anything about how that
 11 entity, Count Them All Property, Incorporated,
 12 would be created?
 13 A My best recollection is he just described in
 14 general terms it would be created as a separate
 15 corporation.
 16 Q Okay. Do you recall -- And this could be in
 17 relationship to the Board guidance, but do you
 18 recall Mr. Sutton describing why that would be
 19 necessary or why it would be advantageous to do
 20 that?
 21 A That it would be easier -- First off, it would not
 22 be a direct burden on the Party. Second, the
 23 committee, under the legal guidelines that he was
 24 aware of, had more freedom to act than the Party
 25 would have.

Page 24

1 Q And you have no recollection of the executive
 2 committee then authorizing the formation of Count
 3 Them All Properly, Incorporated?
 4 A I have no such recollection. I'm quite sure that
 5 did not happen.
 6 Q Okay. Let me take a quick look at my notes. I
 7 believe that's all I have before I turn it over to
 8 Gary, Nathan, if he has any questions.
 9 And while I'm doing that, Mr. Sturrock,
 10 do you have any general statement you'd like to
 11 provide for the record?
 12 A No.
 13 Q Okay.
 14 EXAMINATION
 15 BY MR. GOLDSMITH:
 16 Q I just have a couple of very brief things. You
 17 mentioned in your discussions that at least one
 18 executive committee, or maybe it was just a
 19 committee member, had suggested they might contact
 20 vendors about outstanding bills. Who was that
 21 member?
 22 A I'm taking my time to answer this because my
 23 impression is the contact activity was done by a
 24 volunteer, who then shared that information with
 25 one or more committee members.

Page 25

1 Q Okay.

2 A My best recollection is that Patricia Anderson

3 raised at least one of those questions.

4 Q Okay. Tell me the names of people who were on

5 this Financial Controls and Oversight Committee.

6 A It was chaired by Jeff Johnson. I won't get the

7 entire list right, but as best I can recall, Scott

8 Dutcher, Steve Perkins, Pat Anderson, Richard

9 Weible.

10 MR. MORGAN: Spell the last name.

11 THE WITNESS: W-E-I-B-L-E.

12 MR. MORGAN: Thank you.

13 THE WITNESS: And one or two others.

14 BY MR. GOLDSMITH:

15 Q And is this the committee that eventually came out

16 with the statement of the previously undisclosed

17 debts that the Republican Party had?

18 A Could you refer more precisely to the statement

19 you're meaning?

20 Q Sure. Let me just show you this. Let's have this

21 marked as Exhibit 1.

22 (Sturroch Exhibit 1 was marked for

23 identification by the court reporter.)

24 BY MR. GOLDSMITH:

25 Q And I'll just restate my question. We've marked

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1 Exhibit 1. Can you describe what this document

2 is?

3 A This document appears to be --

4 MR. MORGAN: Do you know what it is?

5 THE WITNESS: I can give you my best

6 recollection. It's my recollection this is the

7 document prepared by Mr. Vekich and Mr. Wyatt

8 after their review of Party records in December

9 2011, January 2012.

10 BY MR. GOLDSMITH:

11 Q And during this time you were the treasurer still,

12 did you have any involvement in this review of

13 Party records?

14 A No direct involvement.

15 Q So you don't know what they did or what process

16 they used to come up with this list?

17 A It was described to me in general terms a review

18 of all the records in the Party's possession. And

19 it's my understanding they verbally consulted with

20 others who may have knowledge, but that's hearsay.

21 Q Are there any minutes or recordings of the

22 Republican Party's executive committee meetings?

23 A Minutes are compiled after each meeting and

24 approved by the committee at its next meeting.

25 Q We'll be talking to Mr. Scherer shortly, who is

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1 the current treasurer of the Republican Party.

2 Was there any overlap between you being treasurer

3 and his coming on?

4 A No.

5 MR. GOLDSMITH: I don't have anything

6 else.

7 MR. HARTSHORN: And I don't have

8 anything.

9 MR. SIGURDSON: Thank you very much for

10 your time.

11 EXAMINATION

12 BY MR. MORGAN:

13 Q Just a couple questions. Did you ever discuss

14 with Mr. Sutton the unreported invoices?

15 A I asked him once --

16 Q What did he say?

17 A -- sometime in 2011 not about that topic. I asked

18 him -- It struck me curious that some recurring

19 bills didn't necessarily appear on the documents I

20 was seeing. And he said that it was our practice

21 to -- that what he described as routine recurring

22 bills were received and paid in the same month,

23 hence did not appear on our monthly financial

24 documents. And he specifically cited rent,

25 utilities and telephone in that regard.

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1 Q Are you aware of any approval by any Republican

2 Party committee of CTAP?

3 A No.

4 Q Are you aware of any money going back and forth

5 between the party and CTAP?

6 A No.

7 Q Are you aware of any donor list going back and

8 forth between the Party and CTAP?

9 A No.

10 Q Thank you.

11 (Deposition concluded at 9:48 a.m.)

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1 VERIFICATION OF DEPONENT TO TRANSCRIPT
 2 I, DAVID Sturrock, do hereby verify that I have
 3 read the foregoing transcript consisting of the
 4 preceding 28 pages and do further verify that it is a
 5 true and complete transcript of the testimony given by
 6 me (except for the following, stating page and line
 7 number and the reason for the change).

- 8
- 9 1.
- 10 2.
- 11 3.
- 12 4.
- 13 5.
- 14 6.
- 15 7.
- 16 8.
- 17 9.
- 18 10.

20 DAVID Sturrock

21 DATED:

23 NOTARY PUBLIC

24 DATED:

25 Julie A. Rixe, Court Reporter

1 STATE OF MINNESOTA)
 2 COUNTY OF DAKOTA) ss.

3

4 Be it known that I took the deposition of DAVID
 5 Sturrock on the 5th day of March, 2012, at 658 Cedar
 6 Street, St. Paul, Minnesota;

6 That I was then and there a notary public in and
 7 for the County of Dakota, State of Minnesota, and that
 8 I was duly authorized to administer an oath;

8 That the witness before testifying was first duly
 9 sworn to testify the truth and nothing but the truth;

9 That the testimony was recorded by myself and
 10 transcribed into a computer-aided transcript and that
 11 the deposition is a true record of the testimony given
 12 by the witness to the best of my ability;

12 That I am not related to any of the parties hereto
 13 nor interested in the outcome of the action;

13 That the cost of the original transcript has been
 14 charged to the party noticing the deposition, unless
 15 otherwise agreed by Counsel, and that copies have been
 16 made available to all parties at the same cost, unless
 17 otherwise agreed upon by Counsel;

16 That the reading and signing of the deposition by
 17 the witness was not waived.

18 WITNESS MY HAND AND SEAL this 12th day of March,
 19 2012.

21 JULIE A. RIXE
 22 Court Reporter