

State of Nebraska

Accountability and Disclosure Commission

P.O. BOX 95086
Lincoln, Nebraska 68509
www.nadc.nebraska.gov



11th Floor, State Capitol
Phone (402) 471-2522
Fax (402) 471-6599

Synopsis Case #14-13 Action Taken on October 16, 2015

Respondent: Dean Dennhardt

The Respondent was the Assistant Treasurer of the Sheehy for Governor Committee and a limited liability company member of Cornhusker Consulting, LLC. The Complainant is former Lt. Governor and former gubernatorial candidate Rick Sheehy. Sheehy resigned from the position of Lt. Governor on February 2, 2013 and ceased his campaign for Governor. On July 15, 2014 Sheehy filed a complaint alleging that Dennhardt made three transfers of Committee funds which were not authorized by law. **Allegation #1** was that on February 5, 2013, Dennhardt transferred the sum of \$37,500 from the committee to Cornhusker Consulting, LLC. The notation on the check drawn by Dennhardt was "First Half 2013 Fundraising Contract". **Allegation #2** was that on February 5, 2013 Dennhardt transferred an additional sum of \$37,500 from the committee to Cornhusker Consulting, LLC. The notation on the check which he drew was "Second Half 2013 Fundraising Contract". **Allegation #3** was that on February 15, 2013 Dennhardt transferred \$1,000 from the committee to Lancaster County GOP. All three transfers were alleged to be violations of §49-1446.01 of the NPADA. Section 49-1446.01 provides in part that no committee may expend funds except to make an expenditure as defined. An expenditure is generally defined in §49-1419 as the transfer of funds for the purpose of influencing the nomination or election of a candidate.

The parties entered into a settlement agreement by the terms of which the Commission could find a violation of §49-1446.01 as alleged in allegations 2 and 3 with allegation #1 being dismissed. The settlement agreement also provides for a civil penalty of not more than \$3,000.00. The Commission approved the Settlement Agreement and assessed a civil penalty of \$3,000.00 with seven Commissioners concurring, no Commissioners dissenting, and one Commissioner recused.

Violation: Pursuant to the Settlement Agreement, the Commission found that the Respondent made two transfers of committee funds which were not authorized by law, each transfer being in violation §49-1446.01 of the NPADA.

Civil Penalty: \$3,000.00

Attorney for the Commission: Neil Danberg

Attorney for the Respondent: J.L. Spray, Lincoln

Synopsis Prepared by: Frank Daley
Executive Director
Nebraska Accountability & Disclosure Commission
P.O. Box 95086
Lincoln, NE 68509
402-471-2522

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

In the Matter of Dean Dennhardt)

CASE NO. 14-13

Respondent)

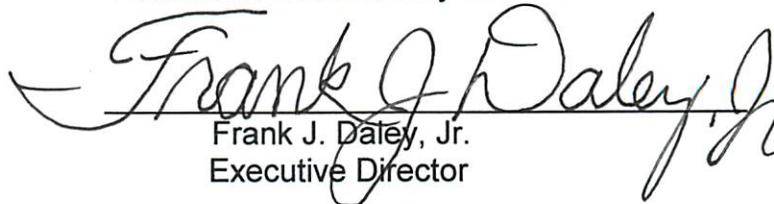
ORDER

Now on this 16th day of October, 2015, this matter comes before the Nebraska Accountability and Disclosure Commission. Commissioners Conway, Enenbach, Gale, Loudon, Peetz, Schulz, von Gillern and Ziebarth are present with Commissioner Schulz presiding. The Respondent is not present. Neil Danberg appears on behalf of the Commission. The Commission notes the submission of a proposed Settlement Agreement.

Whereupon, the Commission with seven (7) Commissioners concurring, no Commissioners dissenting, and one Commissioner recused, finds that the attached Settlement Agreement should be and hereby is approved and incorporated into this Order. Pursuant to that Agreement, the Commission finds that the Respondent has committed two (2) violations of Nebraska Revised Statutes, Section 49-1446.01(1), as more fully explained in the attached Settlement Agreement. The Commission imposes a civil penalty of \$3,000.00.

Issued this 16th day of October, 2015

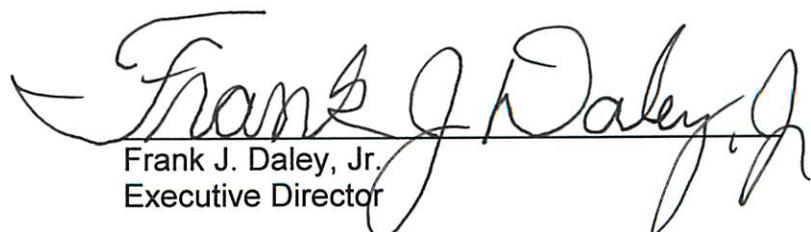
Nebraska Accountability and Disclosure Commission



Frank J. Daley, Jr.
Executive Director

Certificate of Service

I hereby certify that a copy of this Order was sent by certified U.S. Mail, postage prepaid, return receipt requested on this 16th day of October, 2016, to the following at the following address or addresses: Richard J. Sheehy, 3220 Jamestown Road, Lincoln, Nebraska 68516, and Dean Dennhardt, 2821 W. Covered Bridge Drive, Lincoln, Nebraska 68553, and by regular U.S. Mail to his attorney, J.L. Spray, Mattson, Ricketts, 134 S. 13th Street, Lincoln, Nebraska 68508.



Frank J. Daley, Jr.
Executive Director

BEFORE THE NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

In the Matter of DEAN DENNHARDT)
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CASE No. 14-13

SETTLEMENT AGREEMENT

- 1) **Parties:** The parties to this Settlement Agreement (hereinafter "Agreement") are the Nebraska Accountability and Disclosure Commission, hereafter referred to as the "Commission," and Dean Dennhardt, hereinafter referred to as the "Respondent".
- 2) **Jurisdiction:** The Respondent does not dispute the jurisdiction of the Commission pursuant to the Nebraska Political Accountability and Disclosure Act ("NPADA").
- 3) **Intention:** The parties hereby agree that this Agreement shall constitute a waiver of a formal hearing on the alleged violations as described in Exhibit "A" (attached hereto) as well as Paragraphs 4 and 6 of this Agreement, thereby resolving the matter without further delay and expense to the parties.
- 4) **The Alleged Violations:** In its Notice of Preliminary Investigation, the Commission alleged Respondent violated the NPADA. Each of the alleged violations has been described in the Notice of Preliminary Investigation, which is appended to this Agreement as Exhibit "A".

The alleged violations may be summarized as follows: Violations 1 and 2: As Assistant Treasurer of the Rick Sheehy for Governor Committee, Respondent wrote two checks, each in the amount of \$37,500, to Cornhusker Consulting, LLC, a Nebraska Limited Liability Company, for a purpose which was not an authorized "expenditure", as defined in the NPADA and the writing of each of these checks constituted a separate violation of Section 49-1446.01(1) of the NPADA; Violation 3: As Assistant Treasurer of the Rick Sheehy for Governor Committee, Respondent wrote a check in the amount of \$1,000.00 on or about February 15, 2013 to the Lancaster County GOP for a purpose which was not an authorized "expenditure", as defined in the NPADA and the writing of said check constituted a violation of Section 49-1446.01(1) of the NPADA.

- 5) **Agreed upon Stipulations.** The Respondent and the Commission stipulate and agree that at the time of the alleged violations, the Respondent was the Assistant Treasurer of the Rick Sheehy for Governor Committee, and that with respect to the alleged violations 2 and 3, he wrote the checks in the respective amounts of \$37,500 and of \$1,000, as alleged. The proceeds of the \$37,500 went to the Respondent, who is the owner and principal of Cornhusker Consulting Group, LLC.

The proceeds of the \$1,000 check were sent to the Lancaster County GOP to fund a pledge previously made by the Campaign to help pay for a dinner which took place after Rick Sheehy ceased his campaign for Governor.

- 6) Agreement and Proposed Findings. Under the terms of this Agreement, the Respondent admits the checks were written and delivered, disputes the conclusions of the Commission, but accepts a finding of a violation of the second and third alleged violations, described in the attached Exhibit "A", and, as summarized above, in Paragraph 4. These violations are also summarized here as follows: Violation 2, alleged as a violation of Section 49-1446.01(1) of the NPADA for writing a check which was not an authorized expenditure, check #1041 in the amount of \$37,500; Violation 3, alleged as a violation of Section 49-1446.01(1) of the NPADA for writing a check which was not an authorized expenditure, check #1083, in the amount of \$1,000.

For its part, the Commission will, as part of this Agreement, dismiss the first violation, as described above in Paragraph 4, and as more fully described in Exhibit "A", attached to this Agreement.

For his part, the Respondent makes no admission of any violation, and states that it was not his intention to violate Nebraska law as alleged, and that his purpose was to receive appropriate and agreed to compensation for his two (2) years of work as the Campaign's fundraiser, Manager and Consultant, as well as for lost opportunity costs with respect to other positions with candidates whom he had declined to assist due to his employment with the Sheehy Campaign. Nonetheless, the Respondent agrees and stipulates that: (a) if this matter proceeded to a hearing, there is sufficient evidence from which the Commission could find that there have been two violations, to wit: violations 2 and 3, as alleged in the attached Exhibit "A" (Notice of Preliminary Investigation) and as summarized in Paragraph 4 and in this Paragraph; (b) the Commission may enter an order in accordance with said findings, and (c) he would not contest such a finding.

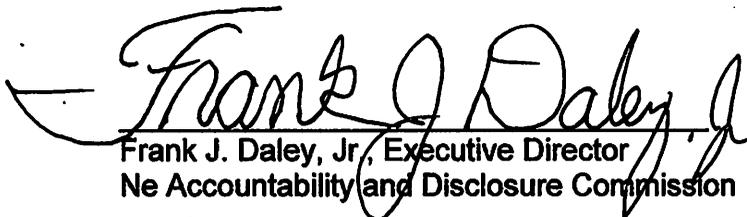
- 7) Civil Penalty: The parties have agreed that, upon acceptance of this Agreement by the Commission, the Respondent will face a possible civil penalty, but that in view of the Respondent's Agreement to resolve this matter, as described above, the civil penalty will be limited to a maximum of \$3,000. Should the Commission elect to impose any civil penalty, the Respondent will have six (6) months in which to pay it in equal installments, with the first installment due thirty (30) days after the date upon which the Commission has approved this Agreement, and the remaining equal payments due on the same date each month thereafter.
- 8) The NADC must approve this Agreement in order for it to be Effective: The parties agree that in order for this Agreement to become effective, the Commission must approve it and shall, if it approves the Agreement, enter an Order in accordance with the terms of this Agreement.

- 9) **Effective Date of Agreement:** This Agreement shall not be binding upon the parties until the date it is approved by the Commission and the Commission issues an order in accordance with the terms of this Agreement. The date upon which the Commission enters its Order approving this Agreement shall be deemed its effective date. If this Agreement is not approved in whole by the Commission, this Settlement Agreement shall be void and may not be used in this or any other proceeding. The parties acknowledge that this Settlement Agreement and any subsequent Order shall be announced at an open public meeting of the Commission and that the vote on such matters shall take place during the Closed Session portion of the meeting. The parties acknowledge that upon adoption, this Settlement Agreement, the Order and the Commission's file pertaining to this matter shall become open and public.
- 10) **Right to Address the Commission:** The Respondent and his attorney have a right to address the Commission on the matter of the amount of restitution and approval of this Settlement Agreement.
- 11) **Advice of Counsel:** The Respondent acknowledges that he has had an opportunity to seek the advice of his attorney in connection with the terms of this agreement.



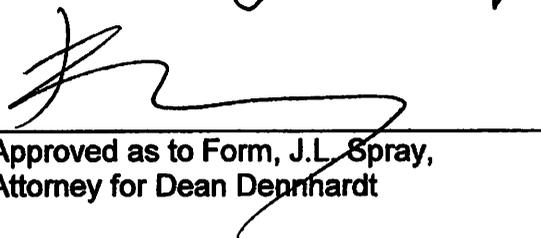
Dean Dennhardt, Respondent

9 - 24 - 2015
Date



Frank J. Daley, Jr, Executive Director
Ne Accountability and Disclosure Commission

10-16-15
Date



Approved as to Form, J.L. Spray,
Attorney for Dean Dennhardt

10/2/15
Date

State of Nebraska

Accountability and Disclosure Commission

P.O. BOX 95086
Lincoln, Nebraska 68509
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NOTICE OF PRELIMINARY INVESTIGATION Case No. 14-13

To: Dean Dennhardt

Pursuant to the provisions of Section 49-14,124, Nebraska Revised Statutes, also known as the Nebraska Political Accountability and Disclosure Act, notice is hereby given that a preliminary investigation is commenced this date based upon a sworn Complaint filed by Richard Sheehy. The nature of the alleged violations to be investigated are as follows:

1. That Dean Dennhardt, as Assistant Treasurer of the Rick Sheehy for Governor Committee, wrote a check in the amount of \$37,500, check #1040, on or about February 5, 2013 to an entity known as "Cornhusker Consulting LLC", said check being drawn upon the funds of said Committee, for an improper purpose which was not an "authorized expenditure" and was in violation of Section 49-1446.01(1) of the Nebraska Revised Statutes.
2. That Dean Dennhardt, as Assistant Treasurer of the Rick Sheehy for Governor Committee, wrote a check in the amount of \$37,500, Check #1041, on or about February 5, 2013 to an entity known as "Cornhusker Consulting LLC", said check being drawn upon the funds of said Committee for an improper purpose which was not an "authorized expenditure", and was in violation of Section 49-1446.01(1) of the Nebraska Revised Statutes.
3. That Dean Dennhardt, as Assistant Treasurer of the Rick Sheehy for Governor Committee, wrote a check in the amount of \$1,000.00, check #1083, on or about February 15, 2013 to the Lancaster County GOP, said check being drawn upon the funds of said Committee for an improper purpose which was not an "authorized expenditure", and was in violation of Section 49-1446.01(1) of the Nebraska Revised Statutes.



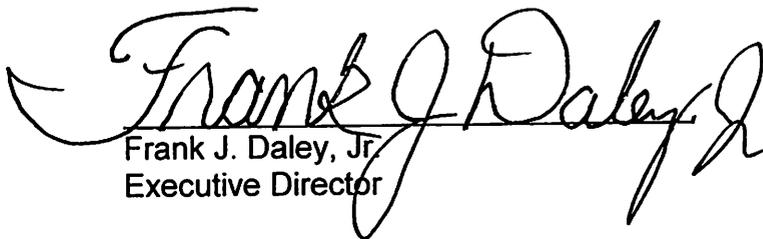
Upon completion of the preliminary investigation, the matter will be submitted to the Nebraska Accountability and Disclosure Commission for a determination as to whether there is probable cause to believe that the provisions of the Nebraska Political Accountability and Disclosure Act have been violated. If the Commission finds probable cause, a hearing will be held. You will be notified thereof and may appear, present evidence, and be represented by an attorney. If, after hearing, the Commission finds that you have violated the Nebraska Political Accountability and Disclosure Act, you may be ordered and required to comply with the Act, and to pay a civil penalty of up to \$2,000 for each violation.

In the event the Commission finds that the preliminary investigation fails to indicate probable cause, the investigation will be terminated and there will be no hearing.

You may submit statements of explanation or other documentation to be made a part of the preliminary investigation. Please do so within ten (10) days from the date of this notice.

All Commission proceedings, records and actions relating to investigations and hearings, in which a violation of the Act is alleged, are to remain **confidential** unless the person alleged to be in violation requests that they be public, or until the Commission makes a final determination after hearing that the Act has been violated. [See Sections 49-14,124, 49-14,124.01 and 49-14,125 of the Nebraska Statutes, and Commission Rule 1.]

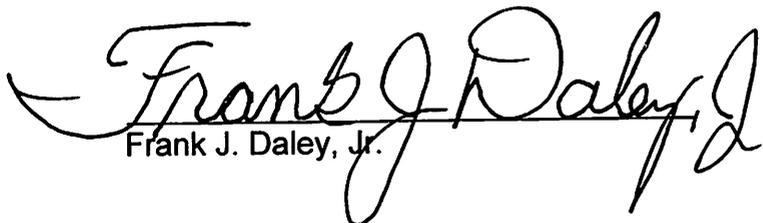
DATED this 23rd day of July, 2014


Frank J. Daley, Jr.
Executive Director

CERTIFICATE OF SERVICE

A copy of this Notice was sent by certified U.S. Mail, postage prepaid, return receipt requested, on this 23rd day of July, 2014 to the following person at the following address:

Dean Dennhardt
2821 W. Covered Bridge Drive
Lincoln, Nebraska 68523


Frank J. Daley, Jr.