



P O R T L A N D
CITY AUDITOR
Elections

May 18, 2020

Ozzie González
3715 SW Marquam Hill Rd.
Portland OR 97239

DELIVERED ELECTRONICALLY

john@ozzie4pdx.com
mail@ozzie4pdx.com

Friends of Ozzie González
3321 SE 20th Ave.
Portland, OR 97202

**City Campaign Regulations –
Violations Warning and Education Letter (2020-05-OG)**

Ozzie González and Friends of Ozzie González,

Complaint and Determination

On April 17, 2020, the City Elections Office received a complaint by members of the public alleging your campaign violated the City's campaign regulations. Specifically, the complaint claims a lack of full contribution disclosures on the campaign's website, two of the campaign's videos, and on two social media accounts.

After an investigation, I have identified five violations of the City's campaign regulations. I am issuing this letter of warning and education, pending immediate compliance with the required contribution disclosures discussed on page 3. Failure to fully comply by 5 pm on May 19, 2020, may result in civil fines of up to \$3,000 per violation.

City Campaign Regulations

Portland's City Code Chapter 2.10 and Charter Chapter 3 Article 3, Campaign Finance in City Elections (collectively, "City Campaign Regulations" or "Regulations") were passed by voters in November 2018 and are administered and enforced by the City Auditor's Office. The City Campaign Regulations require certain campaign contributors and their respective sources of income to be prominently listed on campaign communications. Portland City Code Section (PCC) 2.10.030 Timely Disclosure of Large Contributions and Expenditures). The Regulations specifically require disclosures for digital and electronic communications.



Although it was previously unclear whether the Regulations' limits on contributions and expenditures were constitutional, provisions regarding campaign disclosures were upheld and have been in effect and enforceable for all candidates as of September 1, 2019.¹

Candidates qualified to appear on the ballot for the May 19, 2020 Primary Election were provided with guidance and notification of these regulations at the time of candidacy determination.²

The Regulations require disclosures on communications as follows, in relevant part:

(A) Each Communication to voters related to a City of Portland Candidate Election shall Prominently Disclose the true original sources of the Contributions and/or Independent Expenditures used to fund the Communication, including:

(1) The names of any Political Committees and other Entities that have paid to provide or present it; and

(2) For each of the five Dominant Contributors providing the largest amounts of funding to each such Political Committee or Entity in the current Election Cycle:

a) The name of the Individual or Entity providing the Contribution.

b) The types of businesses from which the maker of the Contribution has obtained a majority of income over the previous 5 years, with each business identified by the name associated with its 6-digit code of the North American Industry Classification System (NAICS).

(B) If any of the five largest Dominant Contributors or Dominant Independent Spenders is a Political Committee (other than a Small Donor Committee) or nonprofit organization, the prominent disclosure shall include its top three funders during the current Election Cycle.

(C) The disclosure shall be current to within ten (10) days of the printing of printed material or within five (5) days of the transmitting of a video or audio communication. (PCC 2.10.030 A-C).

The Regulations define "communications" needing disclosures and "dominant contributors" that must be disclosed as follows, in relevant part:

(D) "Communication" means any written, printed, digital, electronic or broadcast communications [...]

(F) "Dominant Contributor" means any Individual or Entity which contributes more than \$1,000 during an Election Cycle to a Candidate Committee or Political Committee. (PCC 2.10.080 D, F).

Violations of the City Campaign Regulations

#1 Website lacking disclosures:

Prior to April 17, 2020, the website operated on behalf of the campaign for Ozzie González, (www.ozzie4pdx.com) included insufficient disclosures of the political committee that paid to provide or present it as well as its top funders and associated income. Under City Campaign Regulations, a website that includes campaign communications is required to disclose Dominant Contributors and additional respective income or funding disclosures of each Dominant Contributor. As of the time of the complaint (4/17/2020), Oregon's Elections System for Tracking and Reporting campaign finance

¹ [See *In re. Validation Proceeding to Determine the Legality of City of Portland Charter Chapter 3, Article 3 and Portland City Code Chapter 2.10 Regulating Campaign Finance and Disclosure* (Multnomah County Circuit Court Case No. 19CV06544).

² See email and letter including City Code 2.10 guidance sent from Elections Office to candidate Ozzie González on 12/12/2019, "Candidacy Qualification Determination - González".

transactions (ORESTAR) identifies over 20 Dominant Contributors to Friends of Ozzie González (Committee ID 19965).

However, the campaign did not identify Dominant Contributors whose contributions support the operations of the website. The lack of prominent disclosure of the largest contributors to the campaign anywhere on the website, as required, constitutes a violation of City Campaign Regulations.

#2-5 Social media accounts and videos posted to social media lacking disclosures:

The campaign's social media accounts for candidate Ozzie González on Facebook.com (@Ozzieforpdxmayor) and Twitter.com (@Ozzie4pdxmayor) were respectively created on July and August of 2019. The accounts regularly post campaign communications.

As identified in the complaint, Facebook account for candidate Ozzie González also posted at least two professionally produced videos between April 6 through April 15. The two videos were paid to be promoted to a larger audience of at least 100,000.

Under City Campaign Regulations, an electronic communication that includes campaign communications is required to disclose the largest Dominant Contributors and additional respective income disclosures. As of the time of the complaint (4/17/2020), Oregon's Elections System for Tracking and Reporting campaign finance transactions (ORESTAR) identifies over 30 Dominant Contributors to Friends of Ozzie González (Committee ID 19965).

However, no such required disclosures were included on the Facebook or Twitter account. Further, no disclosures appeared on the two videos noted in the complaint and verified by the Elections Office. The lack of disclosures on the social media accounts and two professional videos constitutes four violations of City Campaign Regulations.

True sources of funding

After a finding of violation(s), City Campaign Regulations Require the Auditor to determine information on contributions for the communications in question. As of the date of the complaint, the top five dominant contributors to Friends of Ozzie González are:

1. Bernice Lopez
2. Rick Stanley
3. NWR Construction
4. Burnett Property Management
5. AO Productions

The Auditor's Office will continue to work to gather information required for disclosures under PCC 2.10.030.

Appeals

Appeals for this decision can be made to the Multnomah County Circuit Court within 30 days, as provided by PCC 2.10.050 I.

Sincerely,



Deborah Scroggin
City Elections Officer