



P O R T L A N D
CITY AUDITOR
Elections

May 28, 2020

Sam Works for Portland
3321 SE 20th Avenue
Portland, OR 97202

PO Box 42307
Portland, OR 97242

DELIVERED ELECTRONICALLY
jenn.baker@seiuoregon.org

**RE: City Campaign Regulations Violation (2020-13-SWP)
Warning and Education Letter**

Dear Sam Works for Portland,

Complaint and Determination

On May 11, 2020, the City Elections Office received a complaint by members of the public alleging that Sam Works for Portland violated City Campaign Regulations. Specifically, the complaint claims that a campaign mailer paid for by Sam Works for Portland lacked the required disclosures.

After an investigation, I have determined that the mailer was a communication to voters that failed to prominently disclose required information about dominant contributors and/or dominant independent spenders, in violation of Portland Charter Section 3-303 and Portland City Code (PCC) Section 2.10.030.

I am issuing this letter of warning and education, and strongly encourage Sam Works for Portland to familiarize itself with City Campaign Regulations and comply with all disclosure requirements in future communications.

City Campaign Regulations

Portland Charter Chapter 3, Article 3 and PCC Chapter 2.10 (collectively, the “City Campaign Regulations” or “Regulations”) are administered and enforced by the City Auditor’s Office.

The City Campaign Regulations require certain campaign contributors and their respective sources of income and independent spenders to be prominently listed on campaign communications, including mailers to voters. Charter Section 3-303; PCC 2.10.030 (Timely Disclosure of Large Contributions and Expenditures).

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).

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

Violation of City Campaign Regulations and Penalty

A mailer for City Council candidate Sam Adams was received by residents on or about May 8, 2020. The communication disclosed that Sam Works for Portland paid to provide or present it. However, the mailer did not include required disclosures about contributors or independent spenders. The lack of required disclosures violates City Campaign Regulations. In addition, the "paid for and authorized by Sam Works for Portland" section of the mailer was not "prominently disclosed": it was not in a type of contrasting color or in the same or larger font size as used for the majority of text in the mailer, as required by Charter Section 3-308 (o) and PCC 2.10.080 O.

True sources of funding

After a finding of violation(s), City Campaign Regulations require the City Auditor's Office to determine the true original sources of the contributions and/or independent expenditures used to fund the communication. The mailer was paid for by Sam Works for Portland, which is supported by the following funders:

1. SEIU Local 49 COPE Fund (4213) (Labor Union). Top three contributors:
 - a. Alice Dale (not employed)
 - b. Allen Wheeland (not employed)
 - c. Felisa Hagins (SEIU 49)
2. Pacific Northwest Regional Council of Carpenters (Labor Union)
3. Local 48 Electricians PAC (Labor Union). Top three contributors:
 - a. Nicholas Frye (Electrical Contractor)
 - b. Thomas Mcardle (Electrical Contractor)

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).

c. Kristen Shumway (Electrical Contractor)

4. The Standard (Insurance Company)

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,

A handwritten signature in blue ink, appearing to read 'JM IV', is positioned above the typed name.

Joshua McNeal IV
Business Operations