



P O R T L A N D
CITY AUDITOR
Elections

June 25, 2020

Oregon AFSCME Council 75
1400 Tandem Ave. NE
Salem OR 97301

DELIVERED ELECTRONICALLY
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**RE: City Campaign Finance Regulations
Violation and Penalty (2020-20-AC75)**

Dear AFSCME Local 75,

Complaint and Determination

On May 26, 2020, the City Elections Office received a complaint alleging violations of City campaign regulations resulting from your contribution to a City candidate's campaign. Specifically, the complaint claims your entity (Oregon AFSCME Council 75 dba AFSCME Local 75) contributed to the candidate committee, (Friends of Ted Wheeler) as an entity other than a political committee or individual, as required.

After an investigation, I have identified a violation of City Campaign Regulations and am issuing a required penalty. A \$1,000 fine is issued to Oregon Local 75 and a \$1,000 fine is issued to Friends of Ted Wheeler.

City Campaign Finance Regulations

Portland Charter Chapter 3, Article 3 and City Code Chapter 2.10 (collectively, the "City Campaign Finance Regulations" or "Regulations") were passed by voters in November 2018 and are administered and enforced by the City Auditor's Office. The City Campaign Finance Regulations require campaign contribution limitations for candidates and campaigns within an elections cycle. Portland City Code (PCC) 2.10.010 (Contributions in City Candidate Elections). With some exceptions, the Regulations prohibit any direct contributions to candidate committees from certain entities, such as businesses or partnerships.

Although passed by voters in 2018, the Regulations regarding campaign contribution limits were enforced beginning May 4, 2020, following court decisions impacting the Regulations¹.

¹ See decision in Oregon Supreme Court, *Multnomah County et al v. Mehrwein et al* (Case No. 5066445) and Court of Appeals Order to vacate and remand for reconsideration, *In the Matter of Validation Proceeding to Determine*



Candidates qualified to appear on the ballot for the May 19, 2020, Primary Election were given notice on April 29, 2020, of the change in law, the impact of the change on the Regulations and the May 4 enforcement date.²

Violation of City Campaign Finance Regulations

Unlawful contribution by entity:

Complaint 2020-20-AC75 alleges an entity (AFSCME Local 75) contributed \$500 on May 8, 2020, in violation of City Campaign Finance Regulations. The Regulations state, in relevant part:

- A. An Individual or Entity may make Contributions only as specifically allowed to be received in this Chapter.
- B. A Candidate or Candidate Committee may receive only the following Contributions during any Elections Cycle:
 - 1. Not more than \$500 from an Individual or Political Committee other than a Small Donor Committee
 - 2. Any amount from a qualified Small Donor Committee
 - 3. A loan balance of not more than \$5,000 from the Candidate
 - 4. No amount from any other Entity, except as provided in Section 2.10.040. (PCC 2.10.010).

According to the state of Oregon’s campaign finance database (Oregon Elections System for Tracking and Reporting, ORESTAR), on May 8, AFSCME Local 75 made a cash contribution of \$500 to the Friends of Ted Wheeler campaign (Committee ID 5591, transaction ID 3467840). AFSCME Local 75 confirmed it does not have a registered Political Committee and it did not make the donation as an Individual.³

AFSCME Local 75’s \$500 contribution as an entity – and not as a Political Committee, Individual or Small Donor Committee – violates City Campaign Finance Regulations. Per the Regulations, both AFSCME Local 75, as an unallowed contributor, and Friends of Ted Wheeler, as the recipient of an unallowed contribution, are subject to required penalties.

Penalties

In determining the required penalty, I considered the fact that the contribution violation is the first of its type for both parties and is otherwise under the Regulation’s contribution limits. The penalties are as follows:

Friends of Ted Wheeler shall pay \$1,000 to the City Auditor’s Office by July 9, 2020.

the Legality of City of Portland Charter Chapter 3, Article 3 and Portland City Code Chapter 2.10 Regulating Campaign Finance and Disclosure (Case No. A171435).

² See email and notification sent from City Elections Office to candidate Ted Wheeler and campaign on 4/29/2020, “City of Portland campaign contributions to be enforced May 4, 2020”.

³ AFSCME Local 75 could have made the donation under the City’s Open and Accountable Elections Program – an exception to the contribution limits in PCC 2.10.010 B.4 – but Candidate Ted Wheeler is not a participating candidate in that Program and the exception therefore does not apply.

AFSCME Local 75 shall pay \$1,000 to the City Auditor's Office by July 9, 2020.

Penalties can be sent by mail to:

City of Portland Auditor's Office
1221 SW 4th Ave. Rm 130
Portland, OR 97204

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 cursive script, appearing to read "Deborah Scroggin".

Deborah Scroggin
City Elections Officer