



P O R T L A N D
CITY AUDITOR
Elections

July 27, 2020

Daniel Petrusich
7935 SW Broadmoor Terrace
Portland OR 97225

DELIVERED ELECTRONICALLY
dan@petrusich.com
dpetrusich@mmdccompany.com

**RE: City Campaign Regulations -
Violation and Penalty (2020-21-DP)**

Dear Daniel Petrusich,

The City Elections Office received a complaint June 25, 2020, alleging violations of City campaign regulations resulting from a prohibited contribution made by you to Friends of Ted Wheeler in excess of required limits ([PCC 2.10.010](#)).

After an investigation, I have identified a violation of City Campaign Regulations and am issuing required penalties to you and Friends of Ted Wheeler. I am fining you \$1,000 and Friends of Ted Wheeler \$1,000.

City Campaign 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 regulations limit campaign contributions for candidates and campaigns within an elections cycle. With some exceptions, the regulations prohibit individuals from contributing more than \$500 to individual candidates or candidate committees in an election cycle.

Complaint 2020-21-DP cites several alleged illegal contributions made to Friends of Ted Wheeler from individuals and political committees prior to May 4, 2020. Although passed by voters in 2018, regulations regarding campaign contribution limits were enforced beginning May 4, 2020, following recent court decisions¹. Individuals and campaigns are in violation of the regulations if they continue to donate or receive contributions above these limits.

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 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).



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

Violation of City Campaign Regulations

Unlawful contribution by individual:

Complaint 2020-21-DP alleges that you contributed \$500 to Friends of Ted Wheeler on May 18, 2020 after already contributing \$2,000 to the campaign during the same election cycle. 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 (PCC 2.10.010 A., B.)

According to the State's campaign finance database (Oregon Elections System for Tracking and Reporting, ORESTAR), prior to the enforcement period of May 4, 2020, and within the current elections cycle, you made two cash contributions to Friends of Ted Wheeler, totaling \$2,000 (Committee ID 5591, transaction ID 3070815 and 3101261). ORESTAR records also show that on May 18, 2020, after the enforcement period for these regulations, you donated \$500 to the Friends of Ted Wheeler campaign (transaction ID 3475303).

On July 1, 2020, 45 days after the contribution, the campaign refunded your contribution (ORESTAR transaction ID 3502995).

The contribution amount exceeds \$500 from an individual in an election cycle and occurred after the enforcement period. The campaign retained possession of the funds for more than six weeks before issuing a refund. As a result, donation of the excessive individual contribution to the campaign constitutes a violation of City regulations. Per the regulations, both the individual contributor and the campaign that received the contribution are in violation and 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 the City's definition of Elections Cycle differs from the State of Oregon's campaign finance regulations. The penalties are as follows:

Friends of Ted Wheeler shall pay \$1,000 to the City Auditor's Office by August 10, 2020.

Daniel Petrusich shall pay \$1,000 to the City Auditor's Office by August 10, 2020.

Payment can be sent by mail to:

² See email and notification sent from City Elections Office to candidate Ted Wheeler and campaign on 12/29/2020, "City of Portland campaign contributions to be enforced May 4, 2020".

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 of the date of this letter, 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