

**CITY OF PORTLAND**

In the Matter of: Violations of Campaign Contribution Limits of Portland Charter Chapter 3, Article 3, and Portland City Code Chapter 2.10	No. _____  <b>COMPLAINT</b>  <b>Violations of Portland Campaign Contribution Limits by Committee to Elect Loretta Smith</b>
--------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

1. This Complaint is filed by Seth Woolley, a resident and elector of Portland.
2. This Complaint is pursuant to Portland Charter § 3-305 and Portland City Code 2.10.050.
3. "Committee to Elect Loretta Smith" [hereinafter CELS] is registered on ORESTAR as the principal campaign committee for the campaign of Loretta Smith for Portland City Council.
4. CELS has violated the campaign contribution limits of Portland Charter Chapter 3, Article 3, and Portland City Code Chapter 2.10 ("Portland Campaign Contribution Limits") by accepting contributions in excess of those allowed by Portland Charter § 3-301.
5. Portland Charter § 3-301 provides:

**3-301. Contributions in City of Portland Candidate Elections.**

- (a) An Individual or Entity may make Contributions only as specifically allowed to be received in this Article.
- (b) A Candidate or Candidate Committee may receive only the following Contributions during any Election Cycle:
  - (1) Not more than five hundred dollars (\$500) from an Individual or a 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 five thousand dollars (\$5,000) from the candidate;
- (4) No amount from any other Entity, except as provided in Section 3-304 below.

6. Portland Charter § 3-304 provides:

**3-304. Coordination with Public Funding of Campaigns.**

A candidate participating in a government system of public funding of campaigns (including the Public Election Fund established under Portland City Code Chapter 2.16) may receive any amount that such system allows a participating candidate to receive.

7. These contribution limits went into effect on September 1, 2019, pursuant to Portland Charter § 3-305(a).
8. On July 15, 2020, CELS filed on ORESTAR a contribution dated April 21, 2020, for \$6,000 with Transaction ID 3510675 as an "Anonymous Contribution."
9. An anonymous contribution of \$6,000 is not within the contributions that a candidate committee may legally accept under Portland City Charter § 3-301. It is not a contribution of \$500 or less from an individual or political committee. It is not from a qualified Small Donor Committee. It is not a loan balance.
10. The Public Election Fund system does not allow a candidate committee to receive an anonymous contribution of \$6,000.
11. It is obvious that CELS backdated the alleged receipt of the \$6,000 in order to avoid the application of the contribution limits of Portland City Charter § 3-301.
12. CELS later changed its story and claimed that the \$6,000 reported by CELS did not consist of anonymous contributions. The CELS manager reported to the press that those funds were received from named contributors in the form of cash stuffed into envelopes. The campaign took the cash but allegedly lost the envelopes and thus could not identify the contributors. Exhibits 1 and 2.

13. CELS cannot document or otherwise prove that the \$6,000 was received in the form of contributions from individuals or political committees in amounts of \$500 or less. Consequently, it must be treated as a lump sum contribution and is thus clearly unlawful under Portland City Charter § 3-301.
14. The CELS description of the events leading to the alleged \$6,000 in anonymous contributions is not remotely plausible and requires investigation by the City Auditor, including the use of subpoenas and production of records as authorized by Portland City Charter § 3-305.
15. It is not plausible that CELS received \$6,000 in cash "approximately 25" envelopes and then lost the envelopes and all information about the donors.
16. That explanation would require that the average cash contribution per envelope was \$240. I have worked with and on candidate and ballot measure campaigns in Oregon for over 16 years. I have never seen even a single cash donation that large. Cash donations are almost always \$20 or less. The notion that a campaign for City Commissioner would suddenly attract \$6,000 in cash contributions in "approximately 25" envelopes is wildly implausible.
17. The CELS explanation would require the conclusion that CELS was monumentally incompetent (or dishonest) in accounting for contributions. Other grassroots campaigns I have been involved with have used numbered carbon paper and kept track of gaps in donation slips. Another set of campaigns take pictures of any cash with exposed serial numbers next to their donations slip for record-keeping, before the cash is deposited and reported.
18. The amount reported, \$6,000, is a remarkably round number. The probability that "approximately 25 envelopes" with cash added up to \$6,000 is not remotely plausible. In fact, there is only one chance in 1,000 that a number of separate amounts would add up to a number that lands exactly at the "000" boundary.
19. It is not plausible that any candidate campaign would lose track of the names of its largest contributors. Under the Portland Open and Accountable Elections public funding system, CELS was prohibited from accepting any contribution in excess of \$250. Thus, the "approximately

25" contributors would have been among the top contributors to the campaign.

20. The facts known to date strongly indicate that this \$6,000 came from some other source(s) that CELS wishes to conceal, probably because the \$6,000 came from sources not allowed by Portland City Charter § 3-301.
21. The penalty for violation of the Portland Campaign Contribution Limits is "imposition of a civil fine which is not less than two nor more than twenty times the amount of the unlawful Contribution or Expenditure or Independent Expenditure at issue." Portland City Charter § 3-305(b).
22. Complainant requests that the City Auditor:
  - (a) Find that CELS is in violation of the Portland City Charter § 3-301;
  - (b) Impose the lawfully-required penalties for this violation upon CELS.
23. Considering the large and egregious nature of this violation, the appropriate fine would be 20 times the amount of the unlawful contribution(s).

Please direct all correspondence in this matter to Seth Alan Woolley at [seth@swoolley.org](mailto:seth@swoolley.org).

