



P O R T L A N D
CITY AUDITOR
Elections

November 12, 2020

Sarah Iannarone
333 SE 2nd Ave
Portland, OR 97214

Friends of Sarah for Portland
4417 SE Windsor Court
Portland, OR 97206

DELIVERED ELECTRONICALLY

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NOTICE OF DETERMINATION

Campaign Regulations Complaint No.: 2020-48-SI
- Letter of Warning and Education for Violations -

Dear Sarah Iannarone and Friends of Sarah for Portland:

On October 28, 2020, the City of Portland Auditor's Office received the complaint named above, alleging campaign disclosure violations of [Portland City Charter Section 3-303](#) and corresponding [Portland City Code \(PCC\) chapter 2.10](#). Specifically, the complaint alleged a lack of prominent campaign funding disclosures on a video communication to voters posted on a social media account by Sarah Iannarone's campaign, Friends of Sarah for Portland.

After an investigation, I have identified one violation of City campaign regulations and I am issuing Friends of Sarah for Portland this Letter of Warning and Education.¹ The violation results from a failure of the campaign to disclose funding information on a video posted to social media.

¹ The City Auditor elects to issue a Letter of Warning and Education due to passage of the election date relevant to the candidate subject to this complaint and past violations did not relate to video disclosures. See [Auditor Administrative Rule \(ARA\) \(2\)\(c\)\(iii\) and ARA\(2\)\(c\)\(iv\)\(B\)](#).



1. Violation of City Campaign Regulations

Video posted to social media lacked required campaign funding information

Complaint No. 2020-48-SI alleged Friends of Sarah for Portland failed to include required funding disclosure information on a campaign video. The video at issue was posted by the campaign on Twitter on October 27, 2020. The end of the video included a “Sarah for Portland Mayor” logo and included the following statement in place of additional funding disclosure information: “No one was paid anything to make this because we’ve got people power, baby!”

City Charter Section 3-303(a) requires prominent disclosure of contributions or independent expenditures used to fund communications to voters related to a City candidate election. Although funding such communications occurs through the funding of a political committee or entity, Friends of Sarah for Portland asserted the video did not need disclosures because volunteers created the video without compensation. However, Charter Section 3-303(a)(1)–(2) further specifies that funding information also includes the names of political committees that *present* the communication and their corresponding dominant contributors. The Auditor’s Office finds political committee² Friends of Sarah for Portland presented a professionally-produced communication to voters and disclosed itself on the video for a minimum of four seconds, as required. However, the Auditor’s Office also finds that by posting the video to its Twitter account, Friends of Sarah for Portland failed to disclose its dominant contributors and additional required funding information for those contributors. **Therefore, I find one violation of City campaign disclosure regulations.**

4. Original Sources of Campaign Communication Funding

Funding original sources for campaign video

As confirmed by ORESTAR records and the campaign, for this election cycle, the disclosable dominant contributors and corresponding funding information for Friends of Sarah for Portland required on the campaign video are as follows:

- Dominant Contributor #1: City of Portland Open and Accountable Elections
- Dominant Contributor #2: Julian Bell
 - Type of business from which Julian Bell has obtained the majority of income over the previous five years: Offices of Physicians (except Mental Health Specialists)

² See ORS 260.005(18) for the definition of “political committee.” Based on ORESTAR records, the Auditor’s Office finds Friends of Sarah for Portland has accepted contributions and made expenditures for the purpose of supporting City candidate Sarah Iannarone, and thereby qualifying as a political committee.

City Campaign Regulation Background & Education

City Campaign Regulations

Portland Charter Chapter 3, Article 3 and City Code Chapter 2.10 (collectively, the “City Campaign Regulations” or “regulations”) were passed by voters in November 2018 and are administered and enforced by the City Auditor’s Office. The regulations require certain campaign contributors and their respective sources of income be prominently listed on campaign communications, including videos. PCC 2.10.030.

Provisions regarding campaign disclosures were upheld and have been in effect and enforceable for all candidates as of September 1, 2019.³ Candidates qualified to appear on the ballot for the May 19, 2020, Primary Election were given notice of the City Campaign Regulations and guidance at the time of candidacy determination.⁴

City Campaign 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. 1.–2., B.

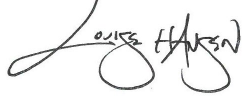
³ See *In re. Validation Proceeding to Determine the Legality of City of Portland Charter Chapter 3, Article 3 and Portland City Code Chapter 2.10 Regulating Campaign Finance and Disclosure* (Multnomah County Circuit Court Case No. 19CV06544).

⁴ On September 13, 2019, the City Elections Office apprised candidate Sarah Iannarone of the Campaign Finance Regulation requirements in person.

Appeals

Pursuant to PCC 2.10.050 I., an appeal may be filed with the Multnomah County Circuit Court within 30 days of the issuance of a decision.

Sincerely,

A handwritten signature in black ink that reads "Louise Hansen". The signature is written in a cursive style with a large initial "L" and "H".

Louise Hansen
City Elections Officer