

August 27, 2020

Paul Pedreira 9043 N Oswego Ave Portland, OR 97203

DELIVERED ELECTRONICALLY

paulpedreira@gmail.com

NOTICE OF DETERMINATION

Campaign Regulation Complaint No.: 2020-29-PP - Violations and Civil Penalty -

Dear Paul Pedreira:

On July 29, 2020, the City of Portland Auditor's Office received the complaint named above, alleging campaign contribution violations under <u>Portland City Charter Section 3-301</u> and corresponding <u>Portland City Code (PCC) Section 2.10.010</u>. Specifically, the complaint alleged that the Friends of Ted Wheeler campaign's receipt of contributions made by you exceeded campaign contribution limits and thereby violated City campaign finance regulations.

After an investigation, I find <u>two violations</u> of City campaign regulations. I am issuing you a fine in the amount of \$2,000. A corresponding fine in the amount of \$2,000 is also issued to Friends of Ted Wheeler for this complaint, as addressed in Complaint No. 2020-TW-29.

Complaint: Violation of City Campaign Finance Regulations

Aggregate individual contributions exceeded contribution limits

Complaint No. 2020-29-PP alleged you made more than one \$500 contribution to Friends of Ted Wheeler in the same election cycle period, thereby violating campaign contribution limits for the current elections cycle.

City campaign finance regulations limit contributions to a candidate from an individual to \$500 during the applicable current election cycle. See <u>City Charter Section 3-301(a)–(b)(1)</u> and <u>PCC Section 2.10.010</u> <u>A.– B. 1.</u> On May 4, 2020, the City Auditor's Office began enforcing these provisions, ¹ finding violations

¹Although passed by voters in 2018, regulations regarding campaign contribution limits were enforced beginning May 4, 2020, following recent court decisions. For recent court decisions, see 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*



for aggregate individual contributions exceeding \$500. 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 and the new enforcement date.²

For candidate Ted Wheeler, the current election cycle runs from July 6, 2016³ until the date of certification for the results of the November 2020 election. A review of the Oregon Elections System for Tracking and Reporting (ORESTAR) revealed the following transactions during this timeframe between you and the Friends of Ted Wheeler campaign:

Date	ORESTAR Transaction ID	Amount	Total Amount Over Contribution Limit	Details
9/22/2016	2361851	\$500	\$0	No violation: Within \$500 contribution limit; prior to 5/4/2020 enforcement date
5/8/2020	3462411	\$500	\$500	Unlawful
6/22/2020	3497993	\$500*	\$1,000	Unlawful → *See note below.
7/22/2020	3497993	\$500	\$1,500	** Contribution negated by refund.
7/23/2020	3519915	- \$500 (refund)	\$1,000	** Refund issued within 24 hours, thereby negating 7/22/20 contribution

^{*} On August 6, 2020, the campaign issued an additional refund of \$500. However, in that instance the campaign retained possession of the corresponding contribution for a significant period of time and thus the corresponding \$500 contribution was not negated and is considered unlawful.

Based on the information provided in the table above, I find that the two \$500 contributions made to Ted Wheeler and Friends on May 8 and June 22, 2020 violated the \$500 limit for contributions from an individual during the current election cycle.

Penalties

The City campaign finance regulations require financial penalties following violations of campaign contribution limits. In particular, each violation of City Charter Article 3 and corresponding City Code Chapter 2.10 requires a fine of "not less than two nor more than twenty times the amount of the unlawful Contribution or Expenditure..." In determining the required penalty within the range allowed, I considered the following factors: This was the first instance of an isolated violation occurring in the same election cycle, the cooperation of the parties with the investigation, the amount of any penalties issued in similar circumstances, and the City's definition of Elections Cycle differs from the

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

² See the December 29, 2020 email notification sent from the City Elections Office to candidate Ted Wheeler with email subject line, "City of Portland campaign contributions to be enforced May 4, 2020."

³ July 6, 2016 is the date the last mayoral election results were certified.

⁴ See City Charter Section 3-305(b); see also City Code Section 2.10.050 B.

State of Oregon's campaign finance regulations. Based on these factors, the fine issued is the lowest amount allowed, or two times the unlawful contribution of \$1,000, resulting in a total fine of \$2,000.

Paul Pedreira shall pay \$2,000 to the City Auditor's Office by September 28, 2020.

NOTE: Late payments for fines may be subject to an increase in fee.

Payment must be postmarked by the due date and can be sent by mail to:

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

<u>Appeals</u>

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,

Louise Hansen

City Elections Officer