



P O R T L A N D
CITY AUDITOR
Elections

July 27, 2020

Ted Wheeler
PO Box 42307
Portland OR 97242

DELIVERED ELECTRONICALLY
campaign@tedwheeler.com
amy@tedwheeler.com

Friends of Ted Wheeler
3321 SE 20th Avenue
Portland, OR 97202

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

Dear Friends of Ted Wheeler,

The City Elections Office received a complaint on June 26, 2020 alleging violations of City campaign regulations resulting from prohibited contributions to your campaign. Specifically, the complaint claims contributions were received by the campaign from individuals 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 your campaign and campaign contributor, Daniel Petrusich. I am fining your campaign \$1,000 and Daniel Petrusich \$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 contributions to candidate committees from individuals over \$500 in an elections cycle.

Complaint 2020-21-TW cites several alleged illegal contributions 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. As a result, complaint 2020-21-TW encompasses only those allegations occurring after

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 enforcement date, which refers to an illegal contribution by a donor above the required limits in City regulations.

Candidates qualified to appear on the ballot for the May 19, 2020 Primary Election were given notice of the change in law and new enforcement date on April 29, 2020.²

Violation of City Campaign Regulations

Unlawful receipt of contribution by individual:

Complaint 2020-21-TW alleges an individual (Daniel Petrusich) contributed \$500 to your campaign on May 18, 2020, in violation of City 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 and 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, Daniel Petrusich 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 after the enforcement period for these Regulations, Daniel Petrusich donated \$500 to the Friends of Ted Wheeler campaign (transaction ID 3475303).

On July 1, 2020, 45 days after the contribution, the campaign refunded the amount to Daniel Petrusich (ORESTAR transaction ID 3502995).

The contribution amount exceeds \$500 from an individual in an elections cycle and occurred after the enforcement period. The campaign retained possession of the funds for over six weeks before issuing a refund. As a result, receipt and donation of the excessive individual contribution to the campaign constitutes a violation of regulations. Per the regulations, both the individual contributor and 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.

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 12/29/2020, "City of Portland campaign contributions to be enforced May 4, 2020".

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

Payment 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 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