



P O R T L A N D
CITY AUDITOR
Elections

August 17, 2020

Loretta Smith
PO Box 42307
Portland, OR 97242

DELIVERED ELECTRONICALLY

sloretta407@aol.com
info@voteloretasmith.com

Committee to Elect Loretta Smith
3321 SE 20th Avenue
Portland, OR 97202

NOTICE OF DETERMINATION

Campaign Regulation Complaint No.: 2020-23-LS
- No Violations -

Dear Loretta Smith and Committee to Elect Loretta Smith,

On July 22, 2020, the City of Portland Auditor's Office received the complaint named above, alleging campaign contribution violations under Portland City Charter sections 3-301 and 3-304, and corresponding Portland City Code (PCC) 2.10.010 and 2.10.040. Specifically, the complaint alleged that by accepting a \$6,000 "Anonymous" contribution, the Committee to Elect Loretta Smith exceeded the campaign contribution limits of City campaign finance regulations and the Open and Accountable Elections (OAE) Program.

Because the complaint relied on an alleged violation of the OAE Program, the Auditor's Office forwarded the complaint to the OAE Director on July 24, 2020. On August 5, 2020, the OAE Director informed the Auditor's Office of OAE's determination that there was no violation of contribution limits under its program.¹ After receiving the complaint and determination from OAE, the Auditor's Office conducted its own investigation. **As explained below, and after a careful review, I find no violations of the City's campaign finance regulations.**

City Campaign Regulation Background and Connection to OAE Program

Portland Charter Chapter 3, Article 3 and City Code Chapter 2.10 (collectively, the "City Campaign Finance Regulations") were passed by voters in November 2018 and are administered and enforced by the City Auditor's Office. The City Campaign Finance Regulations are **mandatory**

¹ See OAE's August 5, 2020 determination, "Determination Letter Smith 8 5 2020."



limits on campaign contributions. See PCC 2.10.010 (Contributions in City Candidate Elections).² Candidates may also **voluntarily** participate in public campaign funding through the OAE Program, and under City Campaign Finance Regulations, “may receive any amount that such system allows a participating candidate to receive.” PCC 2.10.040.

Complaint: No Violation of City Campaign Regulations

\$6,000 reported contribution did not violate City Campaign Finance Regulation contribution limits

Loretta Smith was a candidate for Commissioner Position No. 2 in the City of Portland’s May 19, 2020 Primary Election and the August 11, 2020 Special Election. Committee to Elect Loretta Smith was the candidate committee for City candidate Loretta Smith. City Candidate Loretta Smith was also a participant in the OAE Program.

Complaint No. 2020-23-LS alleged that a \$6,000 “Anonymous” contribution violated contribution limits under the OAE Program, and thereby violated City Campaign Finance Regulation contribution limits. The complaint further speculated that to the extent that the \$6,000 contribution was a collection of smaller contributions, some of the contribution amounts exceeded OAE’s \$250 limit on contributions from individuals, and thereby violated OAE and City Campaign Finance Regulation contribution limits.

For OAE Program participants, City Campaign Finance Regulations allow any contribution that is also allowed to be received under the OAE Program. See City Charter section 3-304 and PCC 2.10.040. The OAE Program found there was no violation under its program for the Committee to Elect Loretta Smith’s receipt of the \$6,000 collective contribution, and it did not find any violations for any individual contributions exceeding the \$250 limit. In our two most recent determinations, the City Auditor’s Office also made a finding that the evidence supported that the “Anonymous” contribution was a collection of individual contributions, each within the \$250 limit for OAE matching contributions.³ The City Auditor’s Office’s investigation included an interview with the campaign manager, additional requests for information, and the receipt and inspection of bank statements surrounding the date of the “Anonymous” contribution. **Accordingly, I find there are no corresponding violations of City Campaign Finance Regulation contribution limits under City Charter sections 3-301 and 3-304, or corresponding PCC 2.10.010 and 2.10.040.**

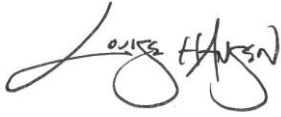
² Although passed by voters in 2018, the City Campaign Finance Regulations regarding campaign contribution limits were enforced beginning May 4, 2020, following court decisions impacting the regulations. Candidates qualified to appear on the ballot for the May 19, 2020 primary election were given notice on April 29, 2020 of the change in law, the impact of the change on the regulations and the May 4, 2020 enforcement date.

³ See “2020-24-LS, 2020-25-LS Final Determination” and “2020-26-LS, 2020-27-LS Final Determination,” both issued by the City Auditor’s Office on August 12, 2020.

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