Oregon good government groups file initiatives to cap campaign contributions, shed light on 'dark money' (Oregon)

Oregon voters could get a chance to decide whether to cap political donations and mandate transparency on who truly pays for political ads, under three proposed ballot initiatives filed this week.

The issues are hugely popular with voters, who overwhelmingly approved a state constitutional amendment in 2020 to explicitly allow campaign contribution limits and requirements that political ads identify the individuals or groups that paid for them. More than 1.7 million people voted for it, the most ever to support a ballot measure.

Now the good government groups that helped campaign for last year's constitutional changes want voters to approve the types of political money limits and disclosures allowed under the amendment. They also want to create a public financing system, although not all of their proposals would do so.

Despite voters' clear desire for donation limits and greater transparency, state lawmakers failed to agree on a plan to achieve those goals after months of closed-door negotiations with political players including big donors from across the political spectrum.

Supporters started gathering signatures Wednesday to qualify for ballot titles. If they succeed, they would need to gather 112,020 voter signatures to get any of the proposals on the November 2022 ballot.

"These measures can help to restore voters' confidence in healthy democracy," said Rebecca Gladstone, president of the League of Women Voters of Oregon and one of the chief petitioners on the initiatives. "Voters must know that our elections are fair and free of undue influence by powerful dark money at the expense of voters. We can accomplish this and restore trust in our political system."

Jason Kafoury, another chief petitioner and a member of the group Honest Elections, said supporters consulted with national experts on campaign finance. He said he believes the donor disclosure requirements in all three proposed initiatives would be the strongest in the nation. Honest Elections is the group behind campaign contribution limits that voters passed in Multnomah County in 2016 and Portland in 2018.

Under the proposals, groups such as political nonprofits would be required to identify their top donors in all advertising and other communications to influence elections, if those donors chipped in more than $5,000 each. Political nonprofits are often referred to as "dark money" groups because they can keep their donors anonymous.

Additionally, Kafoury said, "All of these measures would prevent rich people from writing six-figure checks to candidates." That's already happening in the leadup to the 2022 gubernatorial primary and general election. Four years ago, Nike co-founder Phil Knight gave much more: $2.5 million directly to Republican candidate Knute Buehler.

Kafoury and other advocates for campaign finance reform negotiated for more than three months with a variety of groups that tend to support Democratic candidates and left-leaning policy initiatives, but those groups ultimately decided not to support any of the proposals. Kafoury said supporters needed to move ahead now to have a chance at getting any of the initiatives on the ballot in November 2022 because "the process is so cumbersome, time consuming and expensive" and the pandemic has only added to the challenges.

Oregon's powerful public employee unions were among the groups that got a say in shaping two of the proposed ballot measures, initiative petitions 43 and 44. SEIU 503′s political action committee has raised $1 million annually in recent years and is among the largest donors to Democratic legislative candidates and candidates for statewide offices such as secretary of state and governor. A spokesperson for the union declined to comment on why its leaders decided not to support the proposed contribution limits and donor disclosure requirements. The associate director for another large union, AFSCME, did not respond to calls for comment.

In recent meetings, the unions and progressive political groups indicated they were concerned about two aspects of the initiative proposals in particular, Kafoury said: provisions that would require disclosure of major donors to political nonprofits buying ads and allow people to get a court to weigh in on alleged campaign finance violations. Currently, it's up to the partisan elected secretary of state to decide if a candidate or entity violated Oregon campaign finance laws.

"From a good government standpoint, our perspective was we're not convinced the secretary of state is going to adequately investigate these claims," Kafoury said.

The main differences between the proposals, which supporters will test for voter support, fundraising potential and level of opposition, is that initiative petition 43 includes a public financing system that would match small donations up to $8 million in the governor's race and much less in other state races. Initiative Petition 45, which supporters did not negotiate with political groups and unions, has lower contribution limits including for the type of political action committee that could be used by unions. It also calls for more stringent enforcement of violations.

Supporters negotiated initiative petitions 43 and 44 not only with public employee unions but also with a variety of groups that tend to support Democrats, including Coalition of Communities of Color, Oregon League of Conservation Voters and Pro-Choice Oregon. Those groups do some of their political work through nonprofits.

Under the proposals, individual donors could give no more than $2,000 to a candidate for statewide office per primary or general election cycle and political parties could give a candidate no more than $50,000 per cycle.

Small donor committees such as unions could accept contributions of up to $250 per person per calendar year. They could give $20,000 per election cycle to a statewide candidate and $10,000 to a legislative candidate per cycle, although organizations with large numbers of donors could give much more: $50 from each individual Oregon donor's contribution to the political action committee. Only donations from people who live, work or attend school in Oregon would count.

Ads for or against a political candidate or initiative would have to disclose the top four funders and the types of business from which the funders generate income.

Penalties would be much higher than they currently are in Oregon, with fines of "at least the amount of the unlawful contribution or expenditure, including amounts not properly disclosed or spent on ads that do not comply with the disclaimer requirements," according to supporters' summary of IP 43. In addition to status quo enforcement by the Oregon secretary of state and attorney general, the initiative would allow people to appeal a case in circuit court if a case involving an alleged violation of at least $1,000.

The directors of two political groups that helped to shape initiative petitions 43 and 44 but ultimately decided not to support them said they broadly support campaign finance reform. However, they said it would take years rather than months to develop political money limits and transparency requirements that would not hurt the operations of some of their partner organizations.

“Unfortunately because of how complex this policy area is, the time ran out,” said Christel Allen, executive director of reproductive rights group Pro-Choice Oregon, formerly NARAL Pro-Choice Oregon. Allen said it would be better to wait until 2024 to fine tune the proposal to be put before voters.

The need to advise large donors that their contributions might trigger advertising disclosure requirements, which the current proposals would necessitate, would pose a burden on political committees, Allen said. But, she said, that warning could be critical, as some donors highly value their privacy. “When it comes to those of us who work to defend abortion access, unfortunately our opponents have a history of violence,” she said.

Imani Dorsey, interim executive director of the small political nonprofit Washington County Ignite, said the group spent between $15,000 and $20,000 on elections in 2020. The organization works to build a leadership pipeline from young people who are Black, indigenous and people of color as well as LGBTQ. Dorsey said small groups like hers are already tight on resources and complying with new political spending regulations would reduce their ability to fulfill their mission. “The provisions in the measures would just make things really hard and add administrative things we aren’t able to accommodate,” Dorsey said. “We really see this as an equity thing.”

Kafoury said regardless of what Oregon voters do in the coming months, forces across the nation will continue to shape how powerful interests spend money to influence elections. He said he is worried the conservative majority on the U.S. Supreme Court could further expand the flow of dark money. “We understand this is a long-term battle, that the forces of big money are continually going to try to influence elections.”

Nikki Fried mired in ethics dispute over her finances (Florida)

Florida Agriculture Commissioner Nikki Fried, one of the leading Democratic nominees for governor, is coming under fire for her failure to promptly report how much lobbying money she made prior to taking office.

Florida’s ethics commission voted unanimously late last week that there is probable cause that Fried, who was an attorney and lobbyist, violated state law by failing to properly disclose income from her lobbying business. Just days before she began her campaign for governor this year, she amended two separate financial disclosure forms, including one showing previously unreported earnings of $351,480.

The commission’s findings — as well as a recording of last Friday’s meeting — were made public on Wednesday and gives ammunition to Republicans eager to go after Fried, who has been a leading critic of incumbent Gov. Ron DeSantis. The appointed panel is made up of nine Republicans and Democrats placed on the commission by the governor and legislative leaders.

Fried has vowed to fight back against the allegations and her campaign maintained that the investigation was sparked by a “politically inspired nuisance complaint” filed in June that is suspicious because it came from a Republican Party of Florida official.

The campaign contended that Evan Power, who is chair of the Leon County Republican Party, filed a “false and fraudulent” complaint because several allegations he made were not upheld by ethics commission investigators. Ben Kuehne, a Miami attorney representing Fried, also told the commission that she was being transparent because she voluntarily amended her reports on her own before any complaint was filed. He called any errors “de minimus.”

“Commissioner Fried is being attacked for following the law and showing transparency, exactly the opposite of what Republican Ron DeSantis and his cohorts do every day,” said Drew Godinich in a statement which also called Power “disgraced” because he was once arrested for DUI.

Power shot back in his own statement where he commended the ethics commission for “taking the first step in holding Nikki Fried accountable for failing to be transparent with the taxpayers of Florida. Most Floridians rightly have a hard time understanding how one could forget a quarter of a million dollars in income. Sadly, Nikki Fried and her press team have decided to attack Governor DeSantis, the Commission on Ethics, and myself rather than accept responsibility.”

Fried plans to challenge the ethics commission probable cause determination in a hearing before an administrative law judge.

Fried was a political newcomer when she jumped into the race for agriculture commissioner back in 2018. Sticking to a campaign platform that focused primarily on guns, marijuana and water quality, Fried won the Democratic primary and narrowly defeated Republican Matt Caldwell in the general election.

Fried altered her previous financial disclosure forms four days before her official entry into the governor earlier this year.

Fried amended the forms she filed back in June 2018 when she qualified for the ballot the first time to show that instead of earning $84,000 from her consulting company, Igniting Florida, in 2017 that she actually earned nearly $166,000 during the previous year.

Fried also amended her forms for 2018 not once but twice. In July 2019, Fried reported that her only salary for the previous year was the money she earned as agriculture commissioner. Several months later — in January 2020 — Fried amended her disclosure to show that she had earned $72,000 from Igniting Florida. She changed it again in May to report that she had earned $351,480 from Igniting Florida.

There was no real debate among ethics commissioners ahead of their vote although there were some questions.

Don Gaetz, a member of the commission and father of Republican Rep. Matt Gaetz, asked questions about why the amounts listed by Fried were changed and when it actually translated into money for the commissioner.

"I thought my finances were complicated," Don Gaetz, who is a multimillionaire and former state Senate president, said at one point during a back and forth with Kuehne.

Kuehne attempted to explain to commissioners that Fried, a first time candidate, had to file her first financial disclosure in 2018 before her taxes were finalized. He explained that the value of Fried's work wound up being more than initially anticipated. Kuehne did acknowledge that eventually Fried was given cash for her work that in part came from work she did on behalf of a Gainesville-based nursery that was eventually acquired by a medical marijuana company.

Investigative records released by the commission showed that they attempted to interview Fried, but in the end Kuehne submitted a statement on her behalf.

Pa. Lawmaker Has Bill To End County And Municipalities Spending Millions Of Tax Dollars On Lobbyists (Pennsylvania)

Local municipal and county governments have spent over $40 million in tax dollars on lobbyists and lobbying organizations.

That's the conclusion of a conservative think-tank in Harrisburg.

“At least $42 million spent in taxpayer money either on hiring contract lobbyists or in joining associations that have lobbyists as part of their work,” Nate Benefield, vice president of the Commonwealth Foundation, told KDKA political editor Jon Delano on Wednesday.

Benefield said the Commonwealth Foundation, through public disclosures and right-to-know requests, found many counties, cities and their authorities hired lobbyists or joined associations that did.

“This is very hidden. Most taxpayers don’t know that this is happening,” Benefield said.

Benefield said Allegheny, Beaver, Greene, Fayette and Washington counties, the city of Pittsburgh, and the Pittsburgh School District used tax dollars to hire lobbyists, and he calls it unnecessary spending.

“All of these local governments have their own state representatives. They have their own elected officials who can go and advocate on behalf of themselves, not hiring outside groups to lobby for them,” he said.

While some did hire their own lobbyists, others joined associations that lobby for them.

Doug Hill, retired director of the County Commissioners Association of Pennsylvania, defends the practice.

“Local governments are lobbying on behalf of the taxpayers, and the stakes for the taxpayers are high because if the state or federal government gets it wrong, local services are going to cost more, or we’re going to be prohibited from delivering those services or have other impediments in our way,” Hill said.

Hill said contract lobbyists offer local governments expertise on particular projects.

“You need someone to help you navigate the process,” Hill said.

“A lobbyist isn’t there to buy votes. A lobbyist is there to help you arrange the meetings, help you to understand the process, to help you understand the application or permitting issues,” Hill added.

One state lawmaker disagrees.

“Lawmakers are elected officials and they need to do their job, and they get elected to be the advocate for the people and the entities in their districts,” PA Sen. Kristin Phillips-Hill, a York Republican, said.

She has introduced Senate Bill 802 to change the law.

Twenty-seven states, including Pennsylvania, have no laws restricting local counties, authorities or municipalities from using taxpayer money to hire lobbyists, and no laws to prohibit them from joining associations that use lobbyists.

S.B. 802 would prohibit any Commonwealth or legislative entity or any county, city, borough, township, or school district from hiring a lobbyist, a lobbying firm or political consultant.

“It’s a pretty simple measure. It precludes any governmental entity from using taxpayer dollars to influence another governmental entity, and it includes the legislature,” said Phillips-Hill.

“I am empathetic to the concerns that municipalities raise, but I say to them, they need to build relationships with their legislators, bring them in, talk to them because that is exactly what a legislator is paid to do,” Phillips-Hill said.

Both contract lobbyists and taxpayer-funded associations say the provide on behalf of local governments needed expertise to state lawmakers and government agencies, and that benefits taxpayers.

Laws to restrict lobbyists have been introduced before but never made it into law.

S.B. 802 does have the support of both the Republican and Democratic leaders of the Senate, as well as some very conservative and liberal members. But so far, no vote on the Senate floor.

Ohio Elections Commission fines Council Leadership Fund PAC for campaign finance violation (Ohio)

The Ohio Elections Commission found a political action committee formerly controlled by Cleveland City Council President and then-mayoral candidate Kevin Kelley violated campaign finance laws in its support of Ward 12 Councilman Anthony Brancatelli’s unsuccessful re-election bid.

The OEC, in a Dec. 2 hearing, found that the Council Leadership Fund failed to include a disclaimer on PAC-funded pro-Brancatelli campaign literature. The disclaimer should've stated that the materials were not authorized by Brancatelli or his campaign, Executive Director Philip Richter told The Plain Dealer and cleveland.com. The penalty was a $50 fine, Richter said.

The decades-old Council Leadership Fund, now controlled by Council President-elect Blaine Griffin, is generally used as a way to support incumbent council members in their bids for re-election.

The PAC, in a filing to the OEC written by Columbus attorney N. Zachary West, admitted that it had failed to include the proper disclaimer on three mailers sent to Ward 12 residents, though West stated the PAC had not intended to run afoul of the law by omitting them.

"Since discovering its error, the Fund has retained compliance counsel and is implementing procedures to ensure future communications fully comply with the law," the filing stated.

The OEC tossed out other allegations of rule-breaking made against Brancatelli and the PAC by Brancatelli's challenger in the November election, Councilwoman-elect Rebecca Maurer.

Maurer, in a September complaint to the OEC, had accused the PAC and Brancatelli's campaign of improperly coordinating on mailers and yard signs that the PAC had claimed as "independent expenditures." She also accused the PAC of potentially violating a $3,000-limit for contributions to Brancatelli's campaign, imposed by city ordinance.

Brancatelli denied coordinating with the PAC on any mailers and yard signs, according to his response to Maurer's complaint, submitted to the OEC. Brancatelli had argued the PAC "got a lot of information off of essentially publicly available materials," Richter said.

The PAC also denied coordination. Its filing stated that Maurer's original complaint was "inherently contradictory, lack[s] evidentiary support, and include[s] admissions that she can't even be certain of basic facts."

Because there "wasn't a lot of evidence to sufficiently support that there may have been coordination," and both the PAC and Brancatelli denied coordination, Richter recommended the commission dismiss the rest of Maurer's complaint.

The OEC, a state body, did not consider Maurer's allegations of excessive contributions from the PAC because those guidelines are imposed by the city and are not state law, Richter said. The OEC has no jurisdiction over such violations, he said.

Kelley told cleveland.com that the relatively small fine, in his view, indicates the failure to include a proper disclaimer was not a “severe” violation of the law, though he acknowledged the disclaimers are important to include on campaign materials.

Unite for Colorado ordered to pay $40,000 in fines tied to campaign finance complaint (Colorado)

Unite for Colorado, a dark money group that spent $4 million on statewide ballot measures in 2020 has been ordered to pay $40,000 and to divulge their donors.

Scott Wasserman of the Bell Policy Center and Katherine Dorman, a teacher in the Douglas County School District, filed the first campaign finance complaint with the Secretary of State's office against Unite on Aug. 27, 2020.Both filed a second complaint against Unite in 2021 that is still moving through the process.

The first complaint alleged Unite raised and spent millions of dollars, and through a "shell" organization concealed the source of those funds.

According to the complaint, Unite spent $4 million to persuade voters to approve three ballot measures on the 2020 ballot: Proposition 116, which reduced the state's income tax rate; Proposition 117, which required voter approval for new state-run enterprises; and Proposition 113, which sought to overturn the General Assembly's passage of the National Popular Vote. Voters okayed the first two and rejected the third.

Unite is registered as a 501(c)(4), which under Internal Revenue Service rules is classified as a "social welfare" organization that engages in educating the public. In practical terms, so long as the organization spends less than 50% of the money it raises on political activities, it doesn't have to disclose its donors. Unite was formed in November 2019 and led by Dustin Zvonek, now an Aurora City councilman.

The complaint against Unite said its only purpose was to engage in political activities. In addition to paying for petition circulation for Propositions 116 and 117, the complaint noted a YouTube video by Unite that criticized former Gov. and now-U.S. Sen. John Hickenlooper for his ethics problems, but then moved on to seek online support for a ballot measure that would extend the amount of time citizens have to file complaints with the state Independent Ethics Commission. That ballot measure never moved beyond approval of the ballot title.

Initially, the elections division of the Secretary of State dismissed the complaint, stating "it failed to allege sufficient facts to support the alleged violations." In January, then-Deputy Secretary of State Ian Rayder denied the division's motion and ordered it back for further action.

In February, the division filed a formal complaint with the Office of Administrative Courts, which handles campaign finance complaint hearings.

Administrative Law Judge Matthew Norwood ruled in August, following a hearing, that Unite was an issue committee. Unite made approximately $17 million in expenditures in 2020, with $4 million spent to support or oppose the three ballot measures, according to the ruling.

"This demonstrates that support and opposition of the proportions was a considerable portion of its activities," the ruling said. In addition, "there is no evidence that Unite has any other business than 'issue advocacy' on its website," which no longer exists.

Norwood ordered Unite to immediately register as an issue committee, file reports of its expenditures and contributions. He also fined the organization $40,000.

Unite appealed to the Colorado Court of Appeals, which dismissed the appeal on Nov. 5.

The final agency order issued Dec. 8 by Deputy Secretary of State Christopher Beall said the case "presents an important issue in Colorado: may an organization that raises and spends multiple millions of dollars in support of or opposition to several statewide ballot measures, engaging in substantial efforts to persuade citizens what to vote on and how, legally do so without disclosing to the public where the money is coming from or where it is going?"

The answer, the order said, is "no."

If upheld, the fine would be the largest in state history.

The final order mandates Unite register as an issue committee, report its contributions and expenditures and pay the $40,000 fine.

Unite for Colorado also operated an independent expenditure committee, which spent $1.6 million to support Republicans or oppose their Democratic opponents for the state Senate. All but $75,000 of its contributions came from Unite for Colorado, making it a dark money group, so called because it does not disclose its donors. The other $75,000 came from another dark money group, Ready Colorado.

An affiliated group, Unite for Colorado Action, spent $185,000 to oppose Hickenlooper in 2020, according to Federal Election Commission records.

The second complaint, filed Aug. 18, 2021 by Wasserman and Dorman, is tied to Unite's $1.28 million support for Proposition 120, a measure aimed at reducing property taxes for certain kinds of properties; and Amendment 78, which would have required the General Assembly to appropriate certain custodial funds. Voters rejected them both in November.

The complaint was initially put on hold, pending the outcome of the 2020 matter. The 2021 complaint seeks to require Unite to file as an issue committee and report its contributions and expenditures.

With the final agency order out of the way for the 2020 complaint, the 2021 matter is now awaiting a hearing with the Office of Administrative Courts.

Unite's attorney, Suzanne Taheri, did not respond to a request for comment on whether the organization plans to appeal the final agency order.

Augusta Mayor Davis faces campaign finance disclosure complaint (Georgia)

An ethics complaint has been filed against Augusta mayor Hardie Davis.

The Georgia Government Transparency and Campaign Finance Commission has filed a complaint against Mayor Hardie Davis.

The complaint alleges Davis, over the past four years, has failed to file campaign disclosure reports on time five different times.

On three occasions, he did not file personnel financial disclosure statements.

Some commissioners have concerns.

Others say filing financial statements late, happens.

“Well, it was wrong, because you are supposed to be on time, but things like that happen, I was late turning in a report once, I paid the fine, turned it in and made sure I was never late again,” said Commissioner Dennis Williams.

Neither Mayor Davis nor his attorney returned phone calls seeking comment on the complaint.

Maryland Gov. Hogan's campaign pays fine for accepting excess donations
(Maryland)

Maryland Gov. Larry Hogan's campaign has paid a $2,500 fine for accepting political donations above the state's limits.

The fine was paid as the Republican governor disbands his "Larry Hogan for Governor" state finance account, according to the campaign. The fine was confirmed by Jared DeMarinis, director of candidacy and campaign finance for the state Board of Elections.

"They were technical violations and they were cooperative in resolving the issues," DeMarinis said.

Hogan's campaign team said the over-the-limit donations represented a fraction of the $20 million raised from more than 20,000 donors.

"In the course of that record-shattering fundraising effort, the campaign accepted contributions in excess of the limit from a very few donors — fewer than one half of one percent of our total raised — due to input bookkeeping errors," said Chris Rosenthal, the campaign treasurer, in a statement Wednesday.

The campaign did not immediately provide a total number and dollar amount of the excess donations, but the campaign has been sending money back to donors and updating prior campaign finance reports for the last few years.

Larry Hogan for Governor previously reported returning nearly $63,000 in donations in 2019 and nearly $44,000 in donations in 2020. The next campaign finance report detailing 2021 campaign activities is due in January.

Under Maryland law, donors may not give more than $6,000 to a candidate over each four-year election cycle.

The Maryland Democratic Party filed a complaint about the excessive donations with state elections officials in 2019. At the time, the party alleged that Hogan's campaign finance reports “show that there is a pattern of individuals and businesses tied to high dollar donors bundling sums for Hogan well above the legal limits.”

Rosenthal pushed back against those allegations, calling them “numerous false and unfounded allegations from a partisan political entity.”

The campaign expects to have between $1,000 and $10,000 left once the finance account is closed, and that money will be donated to charity.

Hogan was first elected governor in 2014, using the state’s public financing system for the general election. He ran a conventionally financed campaign to win reelection in 2018. He is barred from running in 2022 due to term limits.