

SECRETARY OF STATE FOR THE STATE OF OREGON

In the matter of: Violation of state election laws regarding the timely reporting of campaign contributions and expenditures by Committee to Elect Loretta Smith (14377)	ELECTION LAW COMPLAINT AGAINST COMMITTEE TO ELECT LORETTA SMITH
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Complainant Seth Alan Woolley alleges that the Committee to Elect Loretta Smith (14377) [hereinafter "CELS"] has violated several provisions of Oregon law requiring timely and accurate reporting of campaign contributions and expenditures.

Complainant alleges:

1. Complainant Seth Alan Woolley is an elector of Oregon who resides at 3403 N.E. Stanton Street in Portland, Multnomah County, Oregon.
2. The Secretary of State has jurisdiction to consider this Complaint pursuant to ORS 260.345.

VIOLATIONS OF STATE ELECTION LAWS

LATE FILING OF \$6,000 OF CONTRIBUTIONS

3. On July 15, 2020, CELS filed a contribution dated April 21, 2020, for \$6000 with Transaction ID 3510675 as an "Anonymous Contribution."
4. Oregon law requires that contributions received during the final 42 days before a primary or general election be reported within 7 days of receipt.
5. The CELS filing was 78 days late.
6. The Secretary's penalty matrix calls for a fine of 10% of the late-filed amount.

FALSE FILING STATING THAT \$6,000 WAS RECEIVED FROM ANONYMOUS DONORS

7. The \$6,000 reported by CELS did not consist of anonymous contributions. The CELS manager reported to the press that those funds were received from named contributors in the form of cash stuffed into envelopes. The campaign took the cash but allegedly lost the envelopes and thus could not identify the contributors. Exhibit 1.
8. The reporting of contributions received from named individuals or entities as having been received from "anonymous" is a knowing false statement by CELS regarding the origin of the contributions.
9. Knowingly submitting false information about a transaction is a violation of ORS 260.715 and is a Class C felony under ORS 260.993. A Class C felony is punishable by a maximum of five years in prison, a fine of as much as \$125,000, or both.
10. The Secretary should investigate this false filing and also refer it as a criminal matter to the Attorney General.

FRAUDULENT FILING TO CONCEAL TRUE SOURCE OF \$6,000

11. The CELS description of the events leading to the alleged \$6,000 in anonymous contributions is not remotely plausible and requires investigation by the Secretary.
12. It is not plausible that CELS received \$6,000 in cash "approximately 25" envelopes and then lost the envelopes and all information about the donors.
13. That explanation would require that the average cash contribution per envelope was \$240. I have worked with and on candidate and ballot measure campaigns in Oregon for over 16 years. I have never seen even a single cash donation that large. Cash donations are almost always \$20 or less. The notion that a campaign for City Commissioner would suddenly attract \$6,000 in cash contributions in envelopes is wildly implausible.

14. The CELS explanation would require the conclusion that CELS was monumentally incompetent (or dishonest) in accounting for contributions. Other grassroots campaigns I have been involved with have used numbered carbon paper and kept track of gaps in donation slips. Another set of campaigns take pictures of any cash with exposed serial numbers next to their donations slip for record-keeping, before the cash is deposited and reported.
15. The amount reported, \$6,000, is a remarkably round number. The probability that "approximately 25 envelopes" with cash added up to \$6,000 is not remotely plausible. In fact, there is only one chance in 1,000 that a number of separate amounts would add up to a number that lands exactly at the "000" boundary.
16. It is not plausible that any candidate campaign would lose track of the names of its largest contributors. Under the Portland Open and Accountable Elections public funding system, CELS was prohibited from accepting any contribution in excess of \$250. Thus, the "approximately 25" contributors would have been among the top contributors to the campaign.
17. The facts known to date suggest that this \$6,000 came from some other source(s) that CELS wishes to conceal.
18. Knowingly submitting fraudulent information about a transaction is a violation of ORS 260.715 and is a Class C felony under ORS 260.993. A Class C felony is punishable by a maximum of five years in prison, a fine of as much as \$125,000, or both.
19. The Secretary should investigate this false filing and also refer it as a criminal matter to the Attorney General.

Please direct all correspondence in this matter to Seth Alan Woolley at seth@swoolley.org.

A black rectangular redaction box covers the signature. A handwritten flourish extends from the bottom right of the box.

Seth Alan Woolley
3403 N.E. Stanton Street
Portland, OR 97212-2744
503-953-3943
seth@swoolley.org

EXHIBIT 1

From: Loretta Smith <info@voteloretta-smith.com>
Subject: Re: checking on a campaign contribution
Date: July 16, 2020 at 2:14:32 PM PDT
To: [Reporter]

Hi [Reporter],

This is Jerome. The contributions were cash contributions in donation envelopes. The cash and envelopes are separated at the time of drop off. The envelope with the cash was found, but the associated envelopes were not. In this case, state law requires that the donation be logged as anonymous and the funds be donated to a nonprofit. We checked in with OAE and the state and proceeded as directed.

Sent from my iPhone

On Jul 16, 2020, at 2:05 PM, [Reporter] wrote:

Thank you for that explanation but I'm a little confused.

Are you saying the contributions were in cash? Otherwise you'd have the name of the donor on the check?

Please clarify. And is this Jerome or Commissioner Smith I'm communicating with?

Thanks.

On Jul 16, 2020, at 2:01 PM, Loretta Smith <info@voteloretta-smith.com> wrote:

Hi [Reporter],

Thanks for your email. The contribution in question is actually a group of individual contributions where the donation envelopes were lost before they could be logged, so ultimately they couldn't be attributed to the individuals who made the donation. With all of the changes to how things got

processed during this time period in light of shut downs for COVID-19, the batch of envelopes (approximately 25) were unable to be located.

State law requires those types of instances to be listed as an anonymous donation and for the money to be donated to a nonprofit organization. The issue was discovered during the course of reconciling campaign finance activities from the primary ahead of the July 3rd OAE deadline. Once discovered by C&E Systems, we consulted with OAE and the Secretary of State's Office and were told how to proceed in order to be in compliance with both local and state campaign finance law. It should also be noted that the funds were never a part of the campaign's cash balance and were not matched through the Open and Accountable Elections Program.

The contribution was logged and a check for the aggregate amount was cut to be sent to the Oregon Food Bank. It was cut last week and will show up in Orestar either later today or tomorrow as required for 7-day reporting.

On Thu, Jul 16, 2020 at 12:55 PM [Reporter] wrote:

Hi Folks,

Can you explain this contribution, please?

1. It's bigger than the \$5,000 limit for Open and Accountable elections

2. It's anonymous, which in 10 years of looking at ORESTAR, I've never seen before (and I don't think is allowed under election law)

3. It was made in April but not disclosed until 7/15, which is obviously well beyond the reporting period.

Thanks!