

BILL BRADBURY
SECRETARY OF STATE



ELECTIONS DIVISION
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DIRECTOR
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SALEM, OREGON 97310-0722
ELECTIONS—(503) 986-1518

BEFORE THE SECRETARY OF STATE
OF THE
STATE OF OREGON

In the matter of a Late Contribution and Expenditure Report)
by the Oregonians Against Off Reservation Casinos,) Final Order by Default
Lawrence J. Kovach, Treasurer, for the First Supplement to)
the Second Pre-Election for the May 16, 2006, Primary) Case No. L9068
Election)

March 9, 2007

Oregonians Against Off Reservation Casinos (005352)
Lawrence J. Kovach, Treasurer
PO Box 302
Grand Ronde, OR 97347

Dear Mr. Kovach:

This is a Final Order by Default issued by the Secretary of State (secretary) for your failure to file a timely first supplement to the second pre-election contribution and expenditure report for the May 16, 2006, Primary Election.

On November 30, 2006, the secretary notified the Oregonians Against Off Reservation Casinos (committee), pursuant to ORS 260.232(2), that it had failed to file the report and that the secretary may impose a civil penalty. An opportunity for a hearing was provided in that notice; however, no request for a hearing was received by the secretary within the time permitted in the notice. Accordingly, after consideration of the records and files of the secretary regarding this matter, the secretary is entering the following Order.

FINDINGS OF FACT

1. The committee's Statement of Organization (SEL 221), applicable during the reporting period, was filed with the secretary on March 14, 2006. The statement reported Lawrence J. Kovach as the treasurer and PO Box 302, Grand Ronde, OR 97347 as the address to which all committee correspondence was to be sent.
2. The committee was required to file a first supplement to the second pre-election report with the secretary on May 8, 2006, disclosing contributions exceeding an aggregate of \$500 from a single source and expenditures exceeding an aggregate of \$1,000 to a single payee between May 1 and 7, 2006. The secretary received the report on May 12, 2006, which is four business days after the date on which the report was due.

3. The committee submitted a timely first supplement to the second pre-election report on May 8, 2006; however, a contribution should have been included on the report. The committee reported the contribution required to be on the first supplement to the second pre-election report (\$205,000.00 from Confederated Tribes of the Grand Ronde on May 12, 2006) on a first supplement to the second pre-election report filed on May 12, 2006, which is four business days after the first supplement to the second pre-election report was due.
4. On November 30, 2006, the secretary sent the committee a Notice of Proposed Civil Penalty. The notice was sent by both certified and first class mail to the treasurer at the above-referenced address. The notice proposed a civil penalty of \$8,200.00 and allowed the committee 20 days to request a hearing. The notice sent by certified mail was received and signed for by V. A. Roof on December 1, 2006.
5. The committee did not request a public hearing or submit notarized testimony in lieu of a public hearing.
6. The secretary has record of no previous late filings during the two-year period beginning September 15, 2005.

ULTIMATE FINDINGS OF FACT

Lawrence J. Kovach, Treasurer, failed to file a timely first supplement to the second pre-election contribution and expenditure report for the May 16, 2006, Primary Election.

CONCLUSIONS OF LAW

Treasurer Lawrence J. Kovach's failure to file a timely first supplement to the second pre-election contribution and expenditure report for the May 16, 2006, Primary Election violated ORS 260.063.

By statute, a maximum \$10,000 civil penalty may be imposed for this violation. The *2006 Campaign Finance Manual*, which contains a penalty calculation matrix on pages 104–106, is designated in OAR 165-012-0005 as the procedure manual for Oregon campaign finance regulations.

Under the penalty matrix, the maximum statutory penalty of \$10,000 is reduced to 1% of the total contributions or total expenditures—whichever is greater—for each business day the report was late as this is the first late violation by the treasurer.

ORDER

It is ordered that a penalty of \$8,200.00 ($\$205,000.00 \times 1\% \times 4 \text{ days}$) is assessed. If your payment is not received within 60 days from the date of service noted below, this Order will be sent to our accounting division for collection and may be subsequently sent to the Oregon Department of Revenue.

Please refer to case number L9068 when mailing your payment.

RIGHT TO JUDICIAL REVIEW

You have the right to appeal this Order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 60 days from the day this Order was served to you. Because this Order was mailed to you, the date of service is the day it was *mailed*, not the day you received it. If you do not file a petition for judicial review within the 60-day time period, you will lose your right to appeal.

Jan Flowers, Compliance Specialist

DATE of Service: _____