

BILL BRADBURY  
SECRETARY OF STATE



ELECTIONS DIVISION  
JOHN LINDBACK  
DIRECTOR  
141 STATE CAPITOL  
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 FreedomWorks Issues PAC, Russ Walker, Treasurer, for ) Final Order  
the Second Supplement to the Second Pre-Election for the )  
November 7, 2006, General Election ) Case No. L9165

July 27, 2007

FreedomWorks Issues PAC (004492)  
Russ Walker, Treasurer  
PO Box 1354  
Silverton, OR 97381

Dear Mr. Walker:

This is a Final Order issued by the Secretary of State (secretary) for your failure to file a timely second supplement to the second pre-election contribution and expenditure report for the November 7, 2006, General Election.

On May 16, 2007, the secretary notified FreedomWorks Issues PAC (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. The committee submitted written testimony in the form of a notarized statement in lieu of a personal appearance at a public hearing. Accordingly, after consideration of the applicable law and evidence presented, Kathy Schamp, Hearings Officer with the Elections Division, 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 September 14, 2006. The statement reported Russ Walker as the treasurer and PO Box 1354, Silverton, OR 97381 as the address to which all committee correspondence was to be sent.
2. The committee submitted a timely second supplement to the second pre-election report with the secretary on November 3, 2006, listing an in-kind contribution of \$997.21 from Freedom Works in Washington, DC.
3. On its post-election report filed on December 7, 2006, the committee reported the contribution as \$608.22, for a difference of \$388.99, making this portion of the second supplement to the second pre-election report 22 business days late.

4. On May 16, 2007, 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 \$85.58 and allowed the committee 20 days to request a hearing. The notice sent by certified mail was received and signed for by Angela McDermott on May 21, 2007.
5. On June 7, 2007, the secretary received a notarized letter from Richard Walker in lieu of a public hearing.
6. The letter—attached as Exhibit A—was reviewed, considered, and made part of the record.
7. The secretary has record of no previous late filings during the two-year period beginning September 15, 2005.

#### ULTIMATE FINDINGS OF FACT

Russ Walker, Treasurer, failed to file a timely second supplement to the second pre-election contribution and expenditure report for the November 7, 2006, General Election.

#### CONCLUSIONS OF LAW

Treasurer Russ Walker's failure to file a timely second supplement to the second pre-election contribution and expenditure report for the November 7, 2006, General Election violated ORS 260.073.

#### OPINION

FreedomWorks Issues PAC's second supplement to the second pre-election contribution and expenditure report, filed on December 7, 2006, was late. It was due by 5:00 p.m., November 3, 2006.

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.

After reviewing and considering the evidence and information on file in this office, the hearings officer finds that there has been a violation of Oregon election law. The explanation provided in the notarized testimony does not adequately mitigate the failure to file a report by the deadline. The testimony explains that the supplement amount reported was marked as an estimate. At the time the post report was filed, the actual cost was available, so the actual cost was reported. The committee asks that it not be penalized for using the only information available at the time of filing the second supplement to the second pre-election report.

Pages 104-105 of the *2006 Campaign Finance Manual* state that when changes are made in amounts of previously reported contributions or expenditures on a supplement to the second pre-election report, the amount of the change is considered late from the day the report was due to the day the contributions or expenditures are first disclosed. While it is unfortunate that the committee did not have the correct information at the time of filing the second supplement to the second pre-election report, it does not constitute a mitigating circumstance in which the secretary would reduce or waive the civil penalty.

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 \$85.58 ( $\$388.99 \times 1\% \times 22$  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 L9165 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.

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Kathy Schamp, Compliance Specialist

DATE of Service: \_\_\_\_\_