



April 26, 2021

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DELIVERED ELECTRONICALLY
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Notice of Violation and Penalty

The City Auditor’s Office conducted a review of the 2020 fourth quarter lobbying activity report submitted by Portland Business Alliance (Alliance) and finds the Alliance failed to report multiple lobbying contacts with City officials, as required by [Portland City Code Chapter 2.12 \(Regulation of Lobbying Entities\)](#).

As a result, the Alliance is fined \$450.00 due on May 10, 2021, and the Auditor’s Office recommends that Alliance staff participate in training to ensure future compliance with lobbying regulations.

Background:

On January 15, 2021, the Alliance filed a 2020 fourth quarter lobbying disclosure report with the City. The filed report confirmed the Alliance was subject to City lobbying disclosure regulations because of spending \$1,000 or more on lobbying efforts in the quarter. The regulations required the Alliance to disclose all fourth quarter lobbying contacts with City officials, including those by email and telephone. See [City Code 2.12.040](#). On February 3, 2021, the Auditor’s Office received an inquiry from a member of the public regarding a seeming lack of emails included on the Alliance’s fourth quarter report. In response, the Auditor’s Office opened a review.

2020 Fourth Quarter Findings:

The Auditor’s Office reviewed contacts between the Alliance and City officials during the fourth quarter and identified the following 10 undisclosed lobbying communications:

2020 Fourth Quarter Undisclosed Communications by the Alliance – Table 1

Item	Date	Sender	Type	Subject Matter
1	Oct. 6	Ashleen McGirk	Email	Citywide Trash Coalition
2	Oct. 7	The Alliance	Letter	Housing Supply
3	Oct. 12	Andrew Hoan	Email	Tree Removal
4	Oct. 28	Jon Isaacs	Text	Downtown Retail Position Funding
5	Nov. 2	Andrew Hoan	Email	Property Damage Cleanup
6	Nov. 5 – Nov. 9	Amy Rathfelder; Jon Isaacs	Email Chain	Title 11 Updates: Tree Code, Heavy Industrial Zoning
7	Nov. 19	Jon Isaacs	Email	Carbon Fee Proposal
8	Dec. 8	Janet Campbell	Email	Black Economic Prosperity Agenda Contributions
9	Dec. 9	Jon Isaacs	Call	Climate Fee Proposal Comment Period
10	Dec. 18	Amy Rathfelder	Text	Public Comment Extension



Other Lobbying Information Not Disclosed in 2020:

The Auditor's Office also reviewed some additional documents from prior quarters in 2020 and identified 15 additional undisclosed lobbying events and communications:

All Other Undisclosed Lobbying Communications by the Alliance – Table 2

Item	Date	Quarter (Q)	Sender/ Participant	Type	Subject Matter
1	March 5	Q1	Maureen Fisher	Email	Houselessness
2	March 17	Q1	Andrew Hoan	Email	COVID-19 Business Needs
3	March 20	Q1	Andrew Hoan	Email	Regional Business Relief Coalition
4	March 23	Q1	Jon Isaacs	Email	Regional Business Coalition
5	April 8	Q2	Jon Isaacs	Email	Housing Investment
6	April 15	Q2	Jon Isaacs	Email	Ankeny Food Cart Pod
7	April 17	Q2	Jon Isaacs	Meeting	Economic Impact Action Committee (City Official Tom Rinehart not listed)
8	April 28	Q2	Jon Isaacs	Email	Designated Short-Term Parking
9	April 30	Q2	Jon Isaacs	Email	Land Use Permitting
10	May 7	Q2	Kiley Wilson	Email	Unreinforced Masonry Buildings Database
11	May 26	Q2	The Alliance	Letter	Local Live Performance Venue Funding
12	June 25	Q2	The Alliance	Meeting	Downtown Issues, Parks Levy Referral (City Official Tom Rinehart not listed)
13	July 2	Q3	Jon Isaacs	Email	Food Delivery Fee Ordinance
14	Aug. 31 – Sept. 30	Q3	Ashleen McGirk, Maureen Fisher	Email Chain	Downtown Enhanced Service District Management Services Contract
15	Sept. 29	Q3	Amy Rathfelder	3 Emails	Title 21 Update: Middle Housing Development Costs, Water Bill Subsidies

Violations and Civil Penalty:

The Auditor's Office identified 10 violations responsive to the complaint and considered an additional 15 violations as aggravating factors in assessing a penalty. The Auditor's Office found a total of 25 violations, as follows:

Ten violations for the fourth quarter reporting period of 2020, listed in Table 1:

- Six violations for undisclosed emails requesting funding, action, or access (Items 1, 3, 5, 6, 7, and 8);
- Two violations for text messages requesting funding and action (Items 4 and 10);
- One violation for a letter requesting actions (Item 2); and
- One violation for a phone call requesting action (Item 9).

Fifteen violations for the first through third quarters of 2020, listed in Table 2:

- One violation for undisclosed contract negotiations (Item 14),
- One violation for failing to disclose one City official present at two meetings (Items 7 and 12),
- One violation for a letter requesting action (Item 11), and
- Eleven violations for additional lobbying emails.

[City Code 2.12.120](#) allows the Auditor's Office to assess a civil penalty up to \$3,000 per violation depending on the nature and extent of the violation. In assessing a civil penalty in the current review, the Auditor's Office considered the following:

Aggravating Factors:

- The Alliance benefited from undisclosed lobbying efforts, including securing funding for a downtown retail position (related to Table 1, Item 4).
- The Auditor's Office identified a pattern of undisclosed emails with multiple, unreported contacts occurring across quarters.
- Unreported contacts included multiple methods: emails, texts, letters, and calls.
- The Alliance employs at least one former City official who was previously subject to lobbying disclosure regulations, indicating a familiarity with reporting obligations.
- The Alliance is a well-established lobbying entity that has been subject to the regulations for years.

Mitigating Factors:

- The Alliance has not received any warnings for unreported activity since 2014.
- The Alliance experienced a change in leadership since its previous warning.
- On two occasions, the Alliance reported a meeting with City officials in attendance but omitted one City official. We considered these minor violations.

The Auditor's Office set a civil penalty of \$450 for the violations, which is due to the City Auditor's Office by May 10, 2021. Payment must be postmarked by the due date and can be sent by mail to:

City of Portland Auditor's Office
1221 SW 4th Ave, Rm 130
Portland, OR 97204

Additional Training Recommended:

Current Alliance staff are encouraged to review lobbying regulation requirements and participate in additional training provided by the Auditor's Office. Lobbying regulation resources are available on our [Report Lobbying Activities](#) and [Lobbyist and Political Consultant Resources](#) webpages. Virtual training sessions may also be coordinated by contacting our office.

Reconsideration and Appeal

Any individual or entity against whom a civil penalty has been issued may request a reconsideration and appeal a decision on reconsideration as provided for in [ARA 15.03\(H\) \(Regulation of Lobbying Entities: Enforcement and Civil Penalties\)](#).

If you have any questions, please contact me at your earliest convenience.

Sincerely,



Louise Hansen
City Elections Officer

Please note that the information in this matter will be retained and may be considered in future reviews of the Alliance's compliance with the City's lobbying regulations.