



October 20, 2022

Rene Gonzalez
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Portland, OR 97282

Rene for Portland
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Portland, OR 97202

DELIVERED ELECTRONICALLY
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Notice of Determination
Violation and Civil Penalty
Campaign Regulation Complaint No.: 2022-03-RG

Dear Rene Gonzalez and Rene for Portland:

The Auditor's Office received a campaign finance violation inquiry on August 2, 2022, which alleged that candidate committee Rene for Portland received contributions that exceeded City contribution limits as regulated by both the Small Donor Elections Program and the Auditor's Office, each under separate and distinct regulation authority.

After an initial review, the Auditor's Office referred the matter to the Small Donor Elections Program for its review and subsequent investigation. The Small Donor Program issued its findings on September 20, 2022, and fined Rene for Portland \$43,890 for violations of its program rules. The Auditor's Office then conducted a separate investigation using criteria established by campaign finance regulations in [Portland City Charter Section 3-301](#) and corresponding [Portland City Code Section 2.10.010](#).

The Auditor's Office has determined that six violations of campaign finance regulations occurred.

Investigation and Findings

The Auditor's Office sent Notice of Complaint No. 2022-03-RG to candidate committee Rene for Portland on September 22, 2022. The period for Rene for Portland to submit a response and supplemental information ended on October 6, 2022. The City Elections Office conducted an investigation of this complaint, and the findings of fact are as follows:



Small Donor Elections Program Findings Summary

The prior findings of the Small Donor Elections Program bear on those of the Auditor's Office because contributions allowed by that program are also allowed under the campaign finance regulations that fall under the Auditor Office's authority.

In its investigation, the Small Donor Elections Program found Rene for Portland violated its requirements by accepting Schnitzer Property Management, LLC (Schnitzer) in-kind contributions for parking and rent. It found no portion of the subsidized parking or rent from Schnitzer qualified as an allowable contribution from an allowable contributing entity under its regulations. The Small Donor Elections Program valued the cost of subsidized parking at an estimated fair market value of \$230 per month. See the Small Donor Elections Program's [Administrative Sanction – Proposed Penalty](#) letter.

Rent

The Auditor's Office enforces Code Section 2.10.010, which specifies that candidate committees may only receive specific "contributions" from individuals, political committees, and small donor committees, as well as any amount from any other entity allowed under the Small Donor Elections Program, which is a separate function from the Auditor's Office. The definition for "contribution" under Code 2.10.080 E.2. excludes "rooms...for use by a candidate committee free or at a reduced charge." The Auditor's Office therefore finds that under its authority, there was no contribution violation by Rene for Portland for accepting subsidized rent for rooms because this donation did not qualify as a "contribution" under the City's campaign finance regulations.

Parking

Schnitzer included in its lease with Rene for Portland two parking spots per month at no cost. The Small Donor Elections Program estimated the value of a parking space at \$230 per month. The Auditor's Office therefore finds the monthly amount of subsidized parking by Schnitzer is valued at \$460 for two parking spaces. At this rate, the total amount of subsidized parking provided by Schnitzer to Rene for Portland was \$2,760 for six months, beginning in May 2022 through October 2022.

Parking costs are not excluded from the definition of "contribution" under Code Section 2.10.080 E. The Auditor's Office finds Schnitzer is a limited liability company that qualifies as an "entity" under the Code's definition. As a result, a "contribution" of subsidized parking from Schnitzer would only be allowed under the City's campaign finance limits if it also qualified as an allowable contribution by the Small Donor Program.

Because the Small Donor Elections Program found the in-kind parking contributions from Schnitzer were not allowable contributions, the Auditor's Office finds that for each of the six months from May 2022 through October 2022, the value of subsidized parking provided by Schnitzer was an unlawful contribution in violation of City Charter Section 3-301 and corresponding City Code Section 2.10.010.

Outcome

The Auditor's Office finds the evidence substantiated six violations of City Charter Section 3-301 and corresponding City Code Section 2.10.010. As a result, we issue this determination for violations and a corresponding civil penalty. The six violations are as follows:

1. An unlawful in-kind contribution for two subsidized parking spaces for the month of May 2022, valued at \$460.
2. An unlawful in-kind contribution for two subsidized parking spaces for the month of June 2022, valued at \$460.
3. An unlawful in-kind contribution for two subsidized parking spaces for the month of July 2022, valued at \$460.
4. An unlawful in-kind contribution for two subsidized parking spaces for the month of August 2022, valued at \$460.
5. An unlawful in-kind contribution for two subsidized parking spaces for the month of September 2022, valued at \$460.
6. An unlawful in-kind contribution for two subsidized parking spaces for the month of October 2022, valued at \$460.

City campaign finance regulations require a mandatory financial penalty for violations of campaign contribution limits. Specifically, Code Section 2.10.050 B. requires a minimum fine of at least two times the amount of an unlawful contribution. Fines may be issued up to a maximum of 20 times the amount of an unlawful contribution.

The Auditor's Office issues a civil penalty in the total amount of \$5,520, which is twice the total value of the prohibited contributions from Schnitzer to Rene for Portland for the parking spaces. In determining the fine amount within the range of allowable penalty, the following factors were considered:

- The candidate and campaign are first-time violators in the current election cycle,
- The cooperation of the campaign during the course of the City's investigations, and
- The amount of any penalties issued in similar circumstances.

Payment of Civil Penalty

Rene for Portland must pay \$5,520 to the City Auditor's Office by November 21, 2022. Note that late payment for fines may be subject to a late fee. Checks are payable to the "City of Portland Auditor's Office." Payment must be postmarked by the due date and may be sent to:

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

Additional Authority and Appeals

This Notice of Determination of Violation and Civil Penalty is issued pursuant to the Auditor's authority under City Code Section 2.10.050. That section sets forth the process for implementation and enforcement of the provisions of City Code Chapter 2.10, including the recipient's appeal rights.

The recipient may request a reconsideration of this decision at any time before the decision becomes final, as provided in the Auditor's Administrative Rule [ARA 13.03\(D\)\(5\)](#).

This Notice of Determination of Violation and Civil Penalty becomes final within 30 calendar days from its issuance unless an appeal of this determination is filed. An appeal may be filed with the Multnomah

County Circuit Court within 30 days of the issuance of a decision, as described in [City Code Section 2.10.050 I](#) and Auditor's Administrative Rule [ARA 13.02\(D\)\(6\)](#).

Sincerely,

A handwritten signature in black ink, appearing to read "Louise Hansen".

Louise Hansen
City Elections Officer