

Dear Chair Hoyle,

Below is my correspondence with Brenda Bayes of the SoS Elections Division on how ORESTAR could better deal with in-kind contributions under the terms of HB 2178 -5 Amendment. I have suggested that ORESTAR make one of these Changes:

1. The in-kind contribution automatically shows up in the account of the beneficiary committee: The beneficiary committee would not need to report it, and the spending committee would not need to separately notify the beneficiary committee.
2. The beneficiary committee is automatically and immediately notified by ORESTAR that the in-kind contribution has been made: The spending committee would not need to separately notify the beneficiary committee.

Under HB 2178 -5 Amendment, if the expenditure/in-kind contribution during the last 14 days before the election is \$2,500 or more, etc., the spending committee would be required to report it within 2 days of making the expenditure. Under Change #1, that by itself would also constitute reporting the resulting in-kind contribution, with no delay. Change #2 would provide immediate notice to the beneficiary committee, which would then under existing rules have 48 hours to report it as an in-kind contribution.

Brenda Bayes appears to confirm that ORESTAR could accommodate either of these changes.

**Dan Meek** 503-293-9021 [dan@meek.net](mailto:dan@meek.net) 855-280-0488 fax

----- Forwarded Message -----

**Subject:**Re: FW: in-kind notification

**Date:**Wed, 10 Jun 2015 08:43:49 -0700

**From:**Dan Meek <[dan@meek.net](mailto:dan@meek.net)>

**To:**BAYES Brenda J <[brenda.j.bayes@state.or.us](mailto:brenda.j.bayes@state.or.us)>

Thanks for the answers.

It seems from your email below that the only problem with either Change #1 or Change #2 is that the spending committee might make a mistake in identifying the beneficiary committee. I think ORESTAR could force the spending committee to select an existing committee and not allow it to hand-enter one, like ORESTAR forces the user to select a valid transaction type, etc.

If the spending committee selects an incorrect beneficiary committee, the beneficiary committee would notice and report the error.

I would prefer Change #1, I think, the automatic attribution of the in-kind contribution to the beneficiary committee. That would certainly get the beneficiary committee's attention.

**Dan Meek** 503-293-9021 [dan@meek.net](mailto:dan@meek.net) 855-280-0488 fax

On 6/10/2015 7:57 AM, BAYES Brenda J wrote:

Good Morning Dan,

I spoke with the ORESTAR administrators this morning and ask them if it is possible to do your suggestion and the short answer is: Yes we could make these modifications to ORESTAR however, this would be a "fiscal impact" to accommodate this function. The question is asked in ORESTAR for disclosure purposes to the public and for our staff to conduct cross checking to the recipient committee. However, here is some of our concerns.

**Suggestion #1** - the in-kind contribution automatically shows up in the account of the beneficiary committee? Then the beneficiary committee would not need to report it, and the spending committee would not need to notify the beneficiary committee.

If the committee making the in-kind contribution makes an error then that error would be transmitted to the recipient committee.

If the committee making the in-kind contribution does not "select" the recipient committee from ORESTAR and types in the committee name wrong it will not show up in the committee. So for example, Committee makes an in-kind contribution to say Committee to Elect Dan Meek however they don't "select" that committee but simply type in Dan Meek it will not show up in the Committee to Elect Dan Meek. Make sense?

**Suggestion #2** - the beneficiary committee is automatically notified that the in-kind contribution has been made? Then the spending committee would not need to separately notify the beneficiary committee. The beneficiary committee would, under the -5 Amendment, have 2 days to report the in-kind contribution, if it is over \$2,500, etc.

This would work only if the committee making the in-kind contribution "selects" the recipient committee from ORESTAR and does not type in the committee name.

Let me know if you have further questions.

Brenda

**From:** Dan Meek [<mailto:dan@meek.net>]  
**Sent:** Tuesday, June 09, 2015 4:22 PM  
**To:** BAYES Brenda J  
**Subject:** Re: FW: in-kind notification

Interesting. Why does ORESTAR then ask the spending committee to designate an expenditure as an in-kind contribution to a specific other committee? It appears that that information then goes nowhere.

Would it be feasible to revise ORESTAR so that, when a committee reports an expenditure that is also an in-kind contribution:

1. the in-kind contribution automatically shows up in the account of the beneficiary committee? Then the beneficiary committee would not need to report it, and the spending committee would not need to notify the beneficiary committee.
2. the beneficiary committee is automatically notified that the in-kind contribution has been made? Then the spending committee would not need to separately notify the beneficiary committee. The beneficiary committee would, under the -5 Amendment, have 2 days to report the in-kind contribution, if it is over \$2,500, etc.

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On 6/9/2015 4:08 PM, BAYES Brenda J wrote:

Dan,

Here is what I sent to Rachele who is forwarding it to the committee. Also I will have my cellphone up at the table with me during the hearing tomorrow and if you send me any emails I'll be able to see them. :) Thanks for your help.

Brenda

**From:** BAYES Brenda J  
**Sent:** Tuesday, June 09, 2015 8:02 AM  
**To:** 'ALTMAN Rachele'  
**Cc:** WILLIAMS James R; TAYLOR Robert; TRUDELL Codi A  
**Subject:** in-kind notification

Rachele,

Below is the question I believe from Representative McLane and my response from yesterday's hearing.

Political Committee A makes an expenditure that it reports as an in-kind contribution to Candidate B. Does that automatically show up in ORESTAR in Candidate B's account as an in-kind contribution from Political Committee A? **Response: NO**

Or does Candidate B have to take some action to report that in-kind contribution? **Response: Candidate B must report the in-kind contributions in the ORESTAR system.**

Is there a timeframe in which the committee must notify the recipient of the in-kind contribution. **Response: Yes within 48 hours after the information has been entered into the ORESTAR system.**

If a committee makes an expenditure for a communication that is in support of a candidate or committee, and the expenditure is coordinated with any agent of the candidate or committee, the expenditure is reported as an in-kind contribution by the recipient candidate or committee. The expenditure made by the committee must disclose in-kind expenditure information identifying the committee that benefited from the expenditure. The committee making the

expenditure is required to notify the candidate or committee via letter or email of the in-kind contribution' notification must be made not later than 48 hours after the expenditure has been filed in ORESTAR.

However, if a committee or person who makes an expenditure for a communication that is in support or opposition to a candidate or committee and the expenditure is NOT coordinated with any agent of the candidate or committee, the independent expenditure will disclose Independent Expenditure information identifying the candidate or committee and the amount apportioned to the candidate or committee when they report the transaction filing in ORESTAR.

Let me know if you have any questions. Will you be forwarding this onto the committee or is this something you would like me to do? Thanks!

Brenda