

## Sen Boquist

---

**From:** ALTMAN Rachele <rachele.altman@state.or.us>  
**Sent:** Friday, June 12, 2015 3:17 PM  
**To:** Sen Boquist  
**Subject:** SB 762 Update

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Senator Boquist,

As you know, SoS has prepared amendments to SB 762 that direct the Secretary of State to prescribe, by rule, a method for regularly auditing statements filed for miscellaneous contributions of \$100 or less. These amendments were at first found in the -1 amendments delivered to you, and then we found that we needed to make an additional change to current law to achieve our shared goal of reducing the fiscal of this bill. The -3 amendments delivered to you are what we believe should be moved to reduce the fiscal of SB 762 (introduced) in a meaningful way.

I also understand that you requested additional details regarding how the audits provided for in the amendments would be conducted. The SoS Elections Division envisions implementing the required audits in the manner described below.

- **Frequency of Audits:** The Secretary of State (SoS) would perform an audit of reported "miscellaneous \$100 and under" contributions on a quarterly basis.
- **Audit Sampling Design:** During each audit, SoS would review a random sampling of 2% of aggregated miscellaneous contributions reported in ORESTAR during the last quarter. Of those aggregated miscellaneous contributions audited, SoS would review five of the individual transactions that make up the miscellaneous \$100 and under contribution entry for that day (unless there are five or less individual transactions, in which case all would be reviewed).
- **Substantive Focus of Audits:** SoS would review audited statements of contributions for completeness, sufficiency of occupational information, and address book or name matching issues. While conducting an audit, SoS would review statements based solely on information in ORESTAR and would not request supporting documentation. However, SoS would still be allowed to request relevant supporting documentation (e.g. bank statements) if a complaint were filed alleging campaign finance violations with evidence to support the allegations, or if SoS found evidence of possible violations of election law through the audits it conducted under SB 762.

Finally, I wanted to make you aware that we worked with Legislative Counsel to draft amendments regarding expenditures for legal services and the disclosure of such expenditures/in-kind contributions. However, before those amendments could be finalized, Legislative Counsel informed us that the heart of the amendments does not fit under SB 762's relating clause ("relating to disclosure of political contributions") and therefore may not be included. The Secretary of State's Office considered whether we could move forward with the few, more minor amendments remaining, and we determined that doing so would create inconsistent policies. Given these developments, we wonder if you have another vehicle with a broader relating clause that could cover provisions that govern how candidate committee and political committee funds may and may not be used to pay for legal services, ruled by Legislative Counsel as not fitting within SB

762's relating clause. Please let me know if you would like us to work on amendments related to legal services expenditures as part of another bill.

Sincerely,

*Rachele Altman*

Legislative Director

Oregon Secretary of State

rachele.altman@state.or.us

(503) 986-2259