

Money in Politics Research Action Project

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Transparency or Transparency Defeated

Campaign Finance Disclosure Loopholes Identified in Analysis of **Taxpayer Defense Fund Chief Petitioner Disclosure Report** (Original release on December 19, 2003 Addendum added January 22, 2004 based on 12/29 disclosure reports)

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Introduction

The campaign finance disclosure report of the Taxpayer Defense Fund (TFD), the signature gathering committee to qualify Measure 30, meets the letter but violates the spirit of Oregon's disclosure laws. Taxpayer Defense Fund's heavy reliance on in-kind contributions from ally groups, in effect if not by design, circumvented disclosure and essentially creating a "shell" committee. Whether reflecting perception or reality, the disclosure report leaves Oregonians wondering if the Taxpayer Defense Fund has something to hide.

Background - The Issue and Players

If passed, Measure 30 will overturn HB 2152, the budget-balancing tax package that passed with bipartisan support and closed the longest legislative session in Oregon history.

The three PAC directors for the Taxpayer Defense Fund include one Oregonian, Russ Walker, the executive director of Oregon Citizens for a Sound Economy. The other two directors are staff people with Citizens for a Sound Economy, a national group based in Washington, D.C.

The chief petitioners for the referendum are Russ Walker with Oregon Citizens for a Sound Economy and Jason Williams of the Taxpayer Association of Oregon. Each of these groups has ongoing political committees. The PAC directors for Taxpayer Association of Oregon committees are Oregonians. Two of the directors for the Oregon Citizens for a Sound Economy PAC work in Washington, D.C. for its parent group, Citizens for a Sound Economy. A summary of historical contributions to these ongoing PACs is in Chart 1.

Chart 1 - History of	f Contributio	ons to G	roups Supporting Anti-Ta	x Referendu	ım
OR Citizens for a Sound	d Economy PA	С	Taxpayer Association of Oro Taxpayer Association of Oro		PAC**
PAC Directors: Russell Walker, Keizer Mary Byrne, Washington DC Matt Kibbe, Washington DC			PAC Directors: Jason Williams, Tigard* and Don McIntire, Gresham* Craig Flynn, Portland**		
contributor	aggregate amount	% of total	contributor	aggregate amount	% of total
Nelson, David, Friends of l	\$47,000	21.6%	Taxpayer Association	n of Oregon PA	ıC
Citizens for a Sound Economy - Washington, DC	\$37,224	17.1%	\$50 and under contribs	\$25,248	50.8%
Oregonians for Food & Shelter	\$29,000	13.3%	\$51 to \$200 contribs	\$7,299	14.7%
Smith, Tootie, for State Rep	\$13,000	6.0%	Majority 2002	\$6,000	12.1%
Oregonians in Action PAC	\$10,500	4.8%	Tiernan, Robert, for State Senate	\$3,841	7.7%
Read, Peter - private investigator, Berkeley, CA	\$10,000	4.6%	Fleetwood Corp	\$2,000	4.0%
Tiernan, Robert	\$10,000	4.6%	OR Family Farm Assoc PAC ³	\$1,500	3.0%
\$51 to \$200 contribs	\$8,005	3.7%	Jobs Portland	\$1,405	2.8%
\$50 and under contribs	\$6,565	3.0%	Karlock, James	\$1,000	2.0%
OR Republican Party	\$6,150	2.8%	Halton Company	\$500	1.0%
Beyer, Roger, for State Senate	\$5,500	2.5%	Oregonians in Action	\$400	0.8%
Association of Builders and Contractors ABC PAC	\$5,000	2.3%	Holwerda, Steve	\$260	0.5%
Allen, Sam - hotel owner	\$5,000	2.3%	Knopp, Tim	\$250	0.5%
Bobosky, Robert - CPA	\$5,000	2.3%	totals	\$49,703	100%
OR Restaurant Association	\$4,500	2.1%			
Citizens for PERS Reform ²	\$4,425	2.0%	Taxpayer Association of	Oregon Measui	re PAC
Adams & Co	\$2,740	1.3%	\$50 and under contribs	\$7,577	50.8%
Butler, Tom, Committee to Elect	\$2,000	0.9%	Taxpayers Association of OR PAC	\$4,125	27.7%
Close, Betsy, Friends of	\$2,000	0.9%	Woodworth, Jay	\$2,000	13.4%
Taxpayers Association of OR PAC	\$1,500	0.7%	\$51 to \$200 contribs	\$700	4.7%
Gateway Communications	\$1,367	0.6%	Hansen, William	\$500	3.4%
OR Neighborhood Store Assoc PAC	\$1,000	0.5%	totals	\$14,902	100%
Bi-Mart	\$250	0.1%			
totals	\$217,725	100%	1		

MiPRAP analysis of Elections Division data. Aggregate contributions from 2002 primary, 2002 general, January 2003 special election, and 2003 September Supplemental reports. Aggregates include cash and in-kind donations.

- 1 Contributions to OCSE from Sen. Nelson's PAC were made during the 2002 general election. In reporting by the *East Oregonian* Sen. Nelson indicated that these contributions were in his capacity at that time as Senate Republican Majority Caucus leader and that he continues to support HB 2152, for which he voted.
- 2 The OR and DC offices of Citizens for a Sound Economy provided funding for Citizens for PERS Reform. .
- 3 Oregon Family Farm Association PAC leadership overlaps with that of Oregonians in Action.

Summary of the Taxpayer Defense Fund Disclosure Report

The Taxpayer Defense Fund reported \$610,549.99 in total contributions, including \$570,856.77 of in-kind contributions. (In-kind contributions include any goods or services, but not dollars, donated to a campaign.) A summary of those contributions is below in Chart 2.

Chart 2	Chart 2 - Contributions to Taxpayer Defense Fund - 12/10/2003 Report				
Donation Type	Contributor	Aggregate Totals	%		
IK	Oregon Citizens for a Sound Economy	\$337,608	55.3%		
IK	Taxpayer Association of Oregon BM PAC	\$68,522	11.2%		
IK	Goli Ameri for Congress	\$54,000	8.8%		
IK	Kevin Mannix PC	\$40,585	6.6%		
CA	Miscellaneous Individuals (from 1481 people)	\$31,843	5.2%		
IK	Citizens for a Sound Economy (Washington, DC)	\$24,819	4.1%		
IK	Oregon Family Council PAC	\$7,910	1.3%		
IK	Oregon Republican Party, Victory 2004	\$7,000	1.1%		
IK	Flores, Friends of Linda	\$6,500	1.1%		
IK	Kruse, Committee to Re-Elect Jeff	\$5,500	0.9%		
IK	NFIB/Oregon Safe Trust	\$5,500	0.9%		
IK	Richardson, Citizens to Elect	\$5,500	0.9%		
CA	ABC State PAC (Association of Builders & Contractors)	\$5,000	0.8%		
IK	Adams & Company	\$3,000	0.5%		
IK	Christian Victory PAC	\$2,750	0.5%		
IK	Parent's Education Association PAC	\$2,342	0.4%		
CA	Miscellaneous Businesses (six, with top contribution of \$500)	\$1,150	0.2%		
CA	Taxpayer Association of Oregon	\$700	0.1%		
IK	Libertarian Party of Oregon	\$315	0.1%		
IK	Smith, Friends of Tootie	\$7	0.0%		
Total		\$610,550	100%		

 $IK = in\text{-}kind\ contributions\ CA = cash\ contributions$

Disclosure Concerns

Inadequate Frequency of Referendum Reporting

The Taxpayer Defense Fund collected signatures between September 9, 2003 and the turn-in date of November 25, 2003. The single campaign finance disclosure report was due two weeks later on December 10. It is unacceptable not to know who is paying for a signature gathering effort prior to the signatures' being submitted.

The 2001 legislature improved Oregon's disclosure law regarding signature-gathering efforts. Prior to the 2002 election cycle, there was only one disclosure report required of chief petitioner or signature gathering PACs. This report was due late in July, after the signature turn-in deadline. This limited the information about the dollars spent to gather signatures either in terms of amount or contributors, and it denied individual Oregonians the opportunity to see who supported the campaign to place the measure on the ballot before deciding whether to help put it there.

Starting in 2002, all initiative signature-gathering PACs had to turn in disclosure reports in May and July of even years. Further, if an initiative petition committee had raised or spent more than \$2,000, earlier reports could also be required in February of even years or possibly as early as September of the odd year prior to the signature turn-in date.

Unfortunately, this improved frequency of chief petitioner disclosure reports was not required of referendum signature gathering efforts. This appears to be an inadvertent omission in legislative deliberations during 2001 and should be corrected.

Transparency or Transparency Defeated

Over 90 percent (93.7%) of the contributions to the Taxpayer Defense Fund (TDF) came in the form of in-kind donations. (In-kind donations allow a person or an organization to donate a good or service, but not cash, to a PAC. For disclosure purposes, an in-kind donation is treated like cash on the recipient's forms, except that the actual expenditure only shows up on the donor's form, and only then if the donor is a PAC.) This is a valid way to support a campaign, and reliance on in-kind contributions is not the focus of MiPRAP's concern about disclosure circumvention. This report is also not a criticism of political committees, popularly known as PACs, since these are legitimate vehicles for campaign dollars and political activity.

MiPRAP is concerned that some of TDF's ally PACs conducted significant fundraising for signature gathering efforts after they were required to file their most recent disclosure reports. The dollars were directed not to TDF, but to the ally group. Contributions in support of the referendum received this fall as a result of that targeted fundraising will not be disclosed in a timely or transparent manner because they do not appear on the TDF disclosure report. In fact, the earliest that any of them will show up on a report will be the end of December, and Oregonians may not see them until April 2004.

The most transparent funding procedure would be for a chief petitioner committee to solicit and receive contributions in its own name. However, solicitation letters and a TDF press release indicate that some of the in-kind contributors specifically raised money for referendum efforts and requested that the dollars go to the ally PACs rather than to actual signature gathering committee. This leaves the TDF operating essentially as a shell, with the much of the campaign activities carried out by ally PACs.

This method of operation also makes it difficult to identify TDF's expenditures. . Rather than being on the expenditure form (PC3), they are sprinkled throughout the contribution form (PC2) and identified only with codes and an occasional annotation to indicate the nature of the expenditure.

TDF's heavy reliance on in-kind contributions from PACs in this instance is troubling because Oregonians will not be able to see the whole signature gathering money picture until the ally PACs disclose the contributions they received when they file their next reports. Even then, it will be difficult to sort out which contributions pertain to signature gathering support and which relate to ongoing fundraising by the ally PACs.

Many of the in-kind contributions to TDF are transparent and timely, indicating that TDF and its allies made choices about their operations. Making choices to reduce transparency and trace ability increases the perception—real or not—that there was intent to trick the public.

Contributions to TDF fall along a continuum of transparency. In Chart 3 and the discussion below, these labels describe each in-kind contributor to TDF. All of the cash contributions (\$38,692 or 6.3% of total contributions) to TDF earn the transparent designation.

TRANSPARENT – The person or group providing the service or product is clearly identified and the contribution is made directly to TDF and disclosed in a timely fashion.

REASONABLE TRANSPARENCY - USE OF WAR CHEST DOLLARS – The PAC or elected official supported TDF with war chest dollars that had been disclosed on previous reports that were presumably used to support TDF, and did not need to conduct specific fundraising that instead could have been directed to TDF for optimal transparency.

MUDDY WATERS – The PAC or candidate did not have enough war chest dollars to have covered the in-kind contributions to TDF, but possibly gave the in-kind contribution from ongoing fundraising efforts and not new solicitations that could have been directed to TDF for timely reporting and optimal transparency.

TRANSPARENCY DEFEATED – The contributing PACs could have easily encouraged individual donors to give contributions directly to the chief petitioner committee. MiPRAP has documentation of active solicitation of contributions to ally PACs rather than direct contributions to TDF. Regardless of why the ally PACs operated in this manner, the net result is that these maneuvers delayed disclosure and defeated genuine transparency.

The two ends of the spectrum are easiest to illustrate, so this paper will examine those first, followed by those in-kind contributions that are either reasonably transparent or where there is uncertainty.

Transparent

The services provided by Kevin Mannix and Adams & Company illustrate that in-kind contributions can be transparent. The contributor is clearly defined and reported in a timely fashion on TDF's report.

Transparency Defeated

In MiPRAP's view there are four ally PACs that operated in ways that, whether intentional or not, delayed disclosure and reduced the trace ability of campaign dollars to the Taxpayer

Defense Fund. These practices do not appear to be illegal, but circumvent the intent of disclosure regulations by obscuring the transparency that reporting is intended to provide.

The four ally PACs with MiPRAP's transparency defeated designation are Oregon Citizens for a Sound Economy (OCSE), Taxpayer Association of Oregon Ballot Measure (TAOBM), and the candidate PACs of Representatives Dennis Richardson and Tootie Smith. The aggregate contributions from these groups total 67.4%, or more than two-third of total contributions to TDF. Delayed disclosure is particularly troubling with regard to OSCE since its donations comprised over half (55.3% or \$337,608) of contributions to the referendum chief petitioner committee.

Russ Walker is treasurer of the TDF PAC. The treasurers of Oregon Citizens for a Sound Economy (OCSE) and the Taxpayer Association of Oregon Ballot Measure (TAOBM) PACs, are also Ballot Measure 30 chief petitioners, Russ Walker, and Jason Williams, respectively.

Chart 3 - Who Gave to the In-Kind Contributors to Taxpaver Defense Fund

and When Will We Know Who Gave to Them?						
	Information in italics reflects additional information from 12/29/03 report as discussed in					
Addendum that begins on page 15						
Transparency or Transparency	Allies Making Lump Sum In-kind (IK) Contributions Total					
Defeated?	1	to Taxpay	er Defense Fund		Contributions	
	ECB ¹	IK Donors	IK	% of Total	to Ultimate	
When will we know who gave to			contributions	Contributions	Recipient -	
allies?			to TDF	to TDF	Taxpayer	
TRANSPARENCY DEFEATED -					Defense Fund	
No itemization until 12/29/03 report						
if OCSE files as BM 30 opponent. If						
not, then 4/12/04. (They filed 12/29						
report, which supports this						
designation.) Duplicate treasurers						
indicate that transparency could		Oregon				
have been achieved by directing		Citizens for				
contributions to TDF rather than		a Sound				
OCSE.	\$35,733	Economy	\$337,608	55.3%		
TRANSPARENCY DEFEATED -						
No itemization until 12/29/03 report						
if OCSE files as BM 30 opponent. If						
not, then 4/12/04. (They filed 12/29						
report, which supports this						
designation.) TAOBM treasurer is						
chief petitioner so transparency		Taxpayer				
could have been achieved by		Association				

of Oregon

11.2%

BM PAC

\$261

directing contributions to TDF

rather than TAOBM.

USE OF WAR CHEST DOLLARS -The Ameri campaign has the war chest dollars to pay for this IK contribution and letter from her	
chest dollars to pay for this IK contribution and letter from her	
contribution and letter from her	
contribution and letter from her	
campaign only asks for signatures,	
not campaign contributions to her	
PAC.	
(April 2004 note -We just received	
another letter sent by the Ameri	
campaign that does request money	
for her campaign. This "muddies the	
waters" but overall ECB analysis Goli Ameri	
indicates that she did have war for Congress	
chest dollars available to support (federal	
the TDF signature gathering effort.) \$341,928 ² PAC) \$54,000 8.8%	
TRANSPARENT - the person	
behind this in-kind contribution is Kevin	
clear. NA Mannix PC \$40,585 6.6%	
Transparency limited due to Citizens for	
minimal reporting requirements for a Sound	
non-profit organizations. Any Economy -	
changes are beyond scope of OR Washington,	
law. NA DC \$24,819 4.1%	
USE OF WAR CHEST DOLLARS	
- The group behind this in-kind	
contribution is clear. And last ECB	
indicates that they may not have	
done any fundraising for their Oregon	
referendum related efforts. (They Family	
filed a 12/29 report, which supports Council	
this designation.) \$34,731 PAC \$7,910 1.3%	
MUDDY WATERS - the group	
behind this in-kind contribution is	
clear and they have been a previous Oregon	
supporter to OCSE. ECB analysis, Republican	
though, indicates that there could Party,	
have been fundraising focused on Victory \$610	550
referendum effort. \$4,255 2004 \$7,000 1.1%	
USE OF WAR CHEST DOLLARS	
- no itemization until 4/12/04 report	
as part of Flores' primary race. The	
ECB indicates, though, that there	
may not have been specific Flores,	
fundraising to pay for referendum Friends of	
related work. \$14,696 Linda \$6,500 1.1%	
USE OF WAR CHEST DOLLARS	
- no itemization until 4/12/04 report	
as part of Kruse's primary race. The	
ECB indicates, though, that there Kruse,	
may not have been specific Committee	
fundraising to pay for referendum to Re-Elect	
related work. \$27,475 Jeff \$5,500 0.9%	

			1		
MUDDY WATERS - the group					
behind this in-kind contribution is					
clear and they have a historical					
interest in this issue. ECB indicates					
that there was probably fundraising		NEED /			
for their referendum work and those		NFIB/			
dollars won't be disclosed until	40	Oregon Safe	45.500	0.004	
4/12/04.	\$2,666	Trust	\$5,500	0.9%	
TRANSPARENCY DEFEATED -					
no itemization until 4/12/04 report					
as part of Richardson primary race.					
ECB and existence of a solicitation					
letter indicates that there was		D: 1 1			
specific fundraising for his		Richardson,			
referendum work and those dollars	#2.01 7	Citizens to	45.500	0.00/	
won't be disclosed until 4/12/04.	\$3,817	Elect	\$5,500	0.9%	
TRANSPARENT - the group					
behind this in-kind contribution is		Adams &	#2 000	0.50	
clear	NA	Company	\$3,000	0.5%	
TRANSPARENCY DEFEATED					
(Was MUDDY WATERS.) - the					
group behind this in-kind					
contribution is clear. ECB indicates					
that there was probably fundraising					
for their referendum work and those					
dollars won't be disclosed until					
4/12/04. (They filed 12/29 report,					
which indicates that the appropriate		CI : .:			
designation should be		Christian			
TRANSPARENCY DEFEATED. See	¢1 400	Victory	\$2,750	0.5%	
discussion on page 15.)	\$1,400	PAC	\$2,730	0.5%	
USE OF WAR CHEST DOLLARS					
- The group behind this in-kind					
contribution is clear. And last ECB					
indicates that they may not have		D			
done any fundraising for their		Parent's Education			
referendum related efforts. (They					
filed 12/29 report, which supports	¢16 177 ²	Association	\$2.242	0.40/	
this designation.) USE OF WAR CHEST DOLLARS	\$16,177 ²	PAC	\$2,342	0.4%	
- The group behind this in-kind contribution is clear. And last ECB					
indicates that they may not have					
done any fundraising for their referendum related efforts. (<i>They</i>		Libertarian			
filed 12/29 report, which supports		Party of			
this designation.)	\$2,058 ²	Oregon	\$315	0.1%	
inis designation.)	Ψ2,030	Oregon	φυιυ	U.1 /0	

TRANSPARENCY DEFEATED -					
no itemization until 4/12/04 report					
as part of Smith primary race. ECB					
and existence of a solicitation letter					
indicates that there was specific					
fundraising for her referendum work					
and those dollars won't be disclosed					
until 4/12/04. Solicitation letter also					
indicates that IK contribution					
probably was greater than \$7 since		Smith,			
even a minimal mailing would cost		Friends of			
more than \$7.	\$2,056	Tootie	\$7	0.0%	
		Total IK Contr	ributions =		
		\$571,858		93.7%	

¹⁾ September Supplemental reports are filed by September 10 and the Ending Cash Balance (ECB) on these reports summarize the cash available to these PACs as of September 1, 2003.

Presumably the two major ally PACs, OSCE and TAOBM, will file the appropriate paper work indicating their active opposition to Ballot Measure 30. They will then be required to file disclosure reports prior to the February 3rd Special Election, with the first one being due on December 29. This report will be more than a month after the signatures qualifying measure 30 were turned in and two weeks after the TDF disclosure report was due.

But even on the late December reports of OCSE and TAOBM, there will be a mixture of contributions made to these groups in support of their signature gathering as well contributions made during and after the signature-gathering period in general support of these groups. This comingling of contributions is confusing and reduces transparency.

A review of the Ending Cash Balances (ECB) shown on the last report filed by these committees, the September Supplemental, reveals that the in-kind contributions that OCSE and TAOBM made to TDF reflect fundraising that is not yet disclosed. As of September 1, 2003, the ECBs of these two committees are far less than the amounts reported as having been donated as in-kind contributions to TDF.

This means that these ally PACs were not using "stockpiled" dollars that had already been disclosed on the September Supplemental reports to pay for staff or for mailings that assist TDF. Rather, the vast majority of the in-kind contributions by both OCSE and TAOBM reflect fundraising during the signature-gathering period that began on September 9, 2003. Again, the PACs have done nothing illegal but have significantly decreased the transparency of contributions as compared to a campaign effort that emphasized direct contributions to the signature-gathering, chief petitioner committee.

These practices are all the more troubling due to the interconnections between the players and PACs. Certainly Russ Walker, treasurer of both TDF and OCSE was well positioned to encourage contributors to give directly to the TDF. As a chief petitioner, Jason Williams was

²⁾ Goli Ameri's ECB is from the end of the 3rd Quarter.

³⁾ The most recent reports filed by the Libertarian Party of Oregon and Parent's Education Association PAC were made in regard to the September 16, 2003 special election. This means that the ECB's for these two committees reflect fundraising as reported on October 16, 2003 for fundraising through October 6, 2003.

similarly in a position to encourage direct contributions to TDF rather than accepting contributions to his own PAC, TAOBM.

Is this deceptive? The reader must make his or her own decision on this point. In any case, the operations of TDF and two key ally PACs, Oregon Citizens for a Sound Economy and Taxpayer Association of Oregon Ballot Measure committees, do not meet important disclosure goals of full transparency and easy trace ability of campaign dollars.

<u>Transparency Defeated and TDF Press Release - E for Effort but F for trace ability</u> Perhaps recognizing that its December 10th disclosure report was less than transparent, TDF distributed a press release that itemized some of the cash contributions made to its major ally, the Oregon Citizens for a Sound Economy, saying,

ORSCE raised funds from grassroots donations, Oregon membership and some of Oregon's most promising businesses. Five of these businesses (listed below) together contributed approximately \$250,000 with the remaining \$87,000 coming from the membership and grassroots contributions.

A-Dec Inc. Freres Lumber Company Seneca Sawmill Co.

Columbia Helicopters Jeld-Wen, Inc.

Russ Walker evidently provided more details to reporters beyond the news release because articles in *The Oregonian, Salem Statesman Journal*, and *The Register-Guard* all included the following contribution amounts:

A-Dec Inc. - \$55,100 Columbia Helicopters - \$55,100 Jeld-Wen, Inc. - \$55,100 Seneca Sawmill - \$55,100 Freres Lumber - \$27,550

This itemization of \$247,950 in contributions to the OCSE still represents only 73% of the total in-kind donations (\$337,608) made by that PAC to the TDF. The remaining contributions of \$89,658 will not be disclosed either in terms of size or the donor until the December 29th report of the OCSE committee.

TDF obviously had some help compiling numbers for its press release from OCSE PAC. Conveniently, the two PACs share a treasurer—Russ Walker. TDF committee may deserve an "E" for effort, but still falls short of the disclosure standard that should be expected from Oregon campaigns.

When a concerned voter, or money in politics researcher, or reporter has to look in multiple places for information the dollars are not adequately traceable. This is particularly troubling since all of the five major donors to OCSE that were identified in the TDF press release were new donors to the OCSE PAC. (See Chart 1.)

Transparency Defeated and Solicitation Letters

Transparency defeated also applies to the in-kind contributions to TDF from the committees of Representatives Richardson and Smith. The ECB on Rep. Richardson's September Supplemental report indicates that he needed to fundraise to have enough money to make his PAC's in-kind contributions to the TDF. Indeed, he sent a fundraising letter that included a petition form and focused exclusively on qualifying the referendum that became Ballot Measure 30.

The contributions made in response to Rep. Richardson's letters went into his PAC since he asked that checks be written to his committee. The amount and source of these donations won't be reported until the first Primary Pre-election Report is due on April 12, 2004. Since Rep. Richardson could have urged his constituents to make contributions directly to TDF rather than to his PAC, this is a case of transparency defeated.

A solicitation letter from Rep. Smith strongly implies that she must have spent more than \$7 in in-kind services to the TDF. Without an accurate figure for the cost of Smith's mailing, it can't be conclusively determined whether or not her war chest, as reported on her September Supplemental report, was adequate to pay for that communication. In her solicitation letter, however, Rep. Smith includes the line:

And, if you could include a small contribution to help pay for the cost of this letter, I'd appreciate it very much.

This seems to indicate that her war chest did not cover the costs of the mailing. This also means that there will be contributions directly attributable to this solicitation that will appear on her April 12th disclosure report, since she directed donors to write checks to Tootie Smith for State Representative. As with the contributions that resulted from Rep. Richardson's fundraising letter, the amount and source of these donations pertaining to signature gathering will only be itemized months after the February 3rd Ballot Measure 30 race.

Reasonable Transparency –Use Of War Chest Dollars

Oregon Family Council PAC, Parent's Education Association PAC, Libertarian Party of Oregon, the candidate PACs of Representatives Linda Flores and Jeff Kruse, as well as the federal candidate PAC of Goli Ameri achieve a reasonable level of transparency with their support to TDF. (Ameri is running for the Republican nomination in the first Congressional district currently held by Representative David Wu.)

With the exception of Ameri's newly formed federal PAC, all these committees are ongoing and review of their last disclosure reports, the September Supplemental, reflects an ending cash balance considerably larger than the value of each PACs in-kind contributions to TDF. This means that is possible to assume that these committee have not done any specific fundraising pertaining to the referendum signature gathering effort. If this is indeed the case, then a review of their past disclosure reports will reveal the contributors behind these PACs.

Of course, if there was specific fundraising by any of these PACs for TDF support and they preserved their war chest as reflected in their last ECB, no one will know until April 12, 2004 when these committees will submit their next disclosure reports. Even if one of the issue PACs

filed as an opponent of BM 30, their next report will be due on December 29, 2003, not exactly timely disclosure of signature gathering support.

Support from the ongoing candidate PACs of Representatives Flores and Kruse to TDF is completely consistent with the political views of these legislators and their "no" votes on HB 2152. It is unfortunate, then, that TDF's less-than-transparent operating procedures will make Rep. Flores' and Rep. Kruse's appropriate in-kind support more likely to be called into question.

A letter from Goli Ameri expresses her support for the referendum signature gathering effort and urges that the recipient sign and gather signatures. The letter does not request money. There is definitely no attempt to solicit money that would go to her own campaign, as is the case with Reps. Smith and Richardson.

Muddy Waters

Analysis of in-kind contributions by the Oregon Republican Party-Victory 2004 PAC, NFIB/Oregon Safe Trust PAC, and Christian Victory PAC reveal an uncertain disclosure picture, or muddy waters. These are all ongoing groups with historical PAC activity that can be evaluated by review of earlier disclosure reports. However, review of the last reports of these committees, the September Supplemental, show that the ending cash balances were smaller than the value of their in-kind contributions to TDF. This means that their war chests could not be the only source of the dollars that paid for the in-kind services provided to the TDF. (Note that based on information on the 12/29 disclosure report, the transparency designation for the Christian Victory PAC was changed from Muddy Waters to Transparency Defeated. See the discussion that begins on page 15.)

Either these groups conducted targeted fundraising pertaining to the referendum signature gathering or they devoted dollars obtained by their regular organization fundraising for in-kind support of TDF. Review of the next disclosure reports of these groups in April 2004, however, may indicate how much of their fall fundraising would have been more cleanly directed to and reported by TDF. Disclosure of the actual source of the dollars behind these in-kind contributions is certainly not timely.

The in-kind contributions to TDF by OCSE's parent group in Washington, DC, Citizens for a Sound Economy, are regulated by federal laws about 501 (c) non-profit groups. Transparency is minimal, and Oregon lawmakers and regulators can do nothing by about this situation. It should also be noted, however, that Citizens for a Sound Economy is a long time supporter of OCSE (see Chart 1), so this support to TDF should not surprise analysts.

Comparison to 2002 Signature Gathering Committee Practices

Chart 4 below provides a summary of top contributors to the signature gathering committees attempting to qualify initiatives for the November 2002 General Election, along with data for the Taxpayer Defense Fund. The money trail is clearer for the 2002 signature gathering/chief petitioner committees, indicating that the TDF practices are an anomaly and not the norm. Over half (seven out of eleven) of the 2002 chief petitioner PACs got 90% or more of their

contributions as direct cash donations. These are the easiest to track and allow for maximum transparency.

Chart 4 - In order of Domination by In-Kind Contributions, Total Contributions and Major Contributors to 2002 Initiative Committees that Submitted Signatures and the *Taxpayer* Defense Fund-Ballot Measure 30 Signature Gathering Committee Major Contributors and percent of total **Total Contributions Subject/Chief Petitioners** contributions IK and CA/LR % *Oregon Taxpayers United PAC - \$64,600 1 \$64.600 Income Tax Limit (didn't qualify) (100% of total) ΙK Bill Sizemore CA 100% 0% \$120,025 *OR Taxpayers United - \$80,025 (67% of total) Require Employee Authorization for *Robert Randall - \$40,000 (33% of total) - this Political Payroll Deductions (didn't contribution was identified in a 7/9/02 amendment as dollars qualify) that went to Sizemore's signature gathering company, I &R, ΙK Christiana Mayer, Bill Sizemore CA that in turn did in-kind work for this chief petitioner 100% 0% committee. This is why it officially shows up as an in-kind contribution. 3 *Oregon Citizens for a Sound Economy -\$610,550 Repeal Of House Bill 2152, Sections \$340,368 (55.7% of total) 1 To 43(a), Relating To Taxation *Taxpayer Association of Oregon - \$68,522 (Measure 30) (11.2% of total) Russell Walker, Jason Williams ΙK \overline{CA} *Goli Ameri for Congress - \$54,000 (8.8%) 93.5% 6.5% *Loren Parks - \$124.605 (99.6% of total) \$125,105 None of the Above (Measure 21) ΙK Don McIntire, Gregg Clapper CA 70.5% 29.5% Restoring the People's Vote (restore *Americans for Term Limits (Spring Green, WI) \$207,195 - \$141,735 (68% of total) term limits) (didn't qualify) *Loren Parks - \$50,000 (24% of total) Ted Piccolo ΙK CA *US Term Limits (Washington, DC) - \$13,250 40.9% 59.1% *Mel Bankoff (Emerald Valley Kitchens) -Labeling of Genetically Engineered 6 \$63,558 \$38,000 (60% of total) Food (Measure 27) *Californians for Labeling - \$5,000 (8%) ΙK CA/LR Donna Harris, Katelyn Lord * Donna Harris - \$2,400 (4% of total) 10.4 % 89.6% *Loren Parks - \$133,848 (99.9% of total) \$134,028 Judicial Accountability Act of 2002 (Measure 22) ΙK CA Steve Doell, Ted Ferrioli, Bob Smith 94.3% 5.7 % 8 *Chip Shields - \$20,000 (24% of total) \$82,965 The Minimum Wage Inflation *United Food & Commercial Food –AFL-CIO Adjustment Act (Measure 25) (Washington, DC) - \$10,000 (12% of total) ΙK CA Eugene P. Pronovost, Diane *OR AFSCME Council 75 - \$10,000 (12%) 5.1 % 94.9% Rosenbaum, Dan Gardner *COPE-AFL-CIO - \$5,500 (7% of total) *Dan Meek - \$31,606 (31% of total) \$101,653 Campaign Finance Reform (didn't *William Boyer - \$15,000 (15% of total) qualify) ΙK *Lloyd Marbet - \$10,750 (11% of total) CA Lloyd Marbet, James Weaver, Harry

4.6 %

ΙK

1.1 %

95.4%

CA

98.9%

\$207.914

\$57,643

Lonsdale

Ellen Lowe

Initiative Integrity Act (Measure 26)

Timothy J. Nesbitt, Robert D. Davis,

OR Comprehensive Health Care

Financial Plan (Measure 23)

*Jack Melendez/Andrew V. Reid - \$10,000 each

*SEIU Local 503 OPEU - \$47,000 (23% of total)

*Oregon Education Association - \$25,000 (12%)

*Oregonians to Maintain Community Standards -

*OR AFSCME Council 75 - \$55,000 (26%)

*John Jaqua - \$8,000 (14% of total)

*Mark Lindgren - \$4,600 (8% of total)

\$20,000 (10% of total)

10

11

	*Roberta Palmer – \$4,000 (7% of total)	IK	CA/LR	Ruth Duemler, John Partridge, Phil		
	*Max Williams - \$2,500 (4% of total)	0.3 %	99.7%	Dreyer		
12	*OR State Denturist Association - \$150,103	\$150,403 The Consumer Denture Care Act				
	(99.8% of total)			(Measure 24)		
		IK	CA	Ken Holden, Jim Davis, Alice Pickard		
		0.0 %	100%			
IK =	IK = in-kind contributions CA=cash contributions LR = loans received					

The signature gathering efforts during 2002 for term limits and the None of the Above judicial initiative that became measure 21 had a mix of in-kind and cash contributions. In the case of the None of the Above it was easy to trace that essentially all of the support was from Loren Parks. The major contributors to the term limits efforts were not ally PACs and tracking their political agenda and dollars was also easier than with TDF.

Two initiative petitions pushed by Bill Sizemore received all of their support as in-kind contributions from Sizemore's ongoing PAC, Oregon Taxpayers United. These chief petitioner PACs operated in a manner most similar to that of TDF but the scale of support was not as great as the referendum signature gathering campaign. Given other problems identified in Sizemore's financial and signature gathering practices, TDF's similarity to their operations may be more problematic than positive.

It is interesting to note that TDF raised nearly three times the amount raised by any of the 11 campaigns that submitted signatures to qualify an initiative for the November 2002 ballot. The campaign that raised the most then was pushing Measure 26, banning paying signature gatherers by the signature. Measure 26 backers used the rules they were proposing to get the 89,048 signatures needed to qualify. Some have speculated that Measure 26 has increased the cost of signature-gathering efforts. While that may be the case, it is difficult to believe that banning payment by the signature required a three-fold increase in spending for this referral.

Need for Electronic Reporting

Electronic reporting will not fix the disclosure concerns identified in this report. MiPRAP is in a position to evaluate degrees of disclosure transparency because many long hours have been spent building databases of contributions to candidates and to key political committees. It is time for Oregon to join the 21st century and use technology that is now readily available and offers important tools to help every Oregonian clearly follow the political money trail.

The Elections Division is to be commended for putting the TDF disclosure report in its entirety on its website in PDF form. This was possible because only one report was due and cannot be emulated at future disclosure deadlines. However, even if it were possible to post every report online as a PDF file, this is not a long-term solution because the data is not available in a searchable format.

Electronic disclosure can make itemized campaign contributions and expenditures available in a searchable format on the Secretary of State's website. Members of the public or the press need this kind of access in order to ease tracking of the source of money and how cash flows among campaigns.

For example, the ally PACs described above that used war chest dollars are not defeating transparency because those contributions are in previous disclosure reports. With electronic reporting and an on-line searchable database, transactions would be easier to follow because historical data would readily available on the Elections Division website.

Successful electronic reporting relies on three factors. First, campaign treasurers must have adequate tools, such as software or a Web-based disclosure option. Second, the Elections Division needs computer tools to make the information available online. Third, electronic reporting must be mandatory.

The first two require dollars and should precede mandates. These steps have yet to be taken in Oregon.

Electronic reporting was adopted in 1999, but the Elections Division did not make developing the tools a priority. As a result, campaign treasurers, many of whom are volunteers, see electronic reporting as an added hassle rather than a way to do a better and faster job. Not surprisingly, many campaigns opted for the waivers that are an option until 2004.

The problem, though, is not just the Elections Division. Several committees, including those of two winning candidates and several major trade groups, requested a waiver in 2002 claiming a lack of Internet access -- hardly an insurmountable problem given its availability in pubic offices and libraries around the state. Once all the tools are in place, mandatory reporting with very limited waiver options is essential.

The biggest barrier to useful electronic reporting of campaign finances in Oregon is lack of financial support from the legislature. Since 2001 the Elections Division has sought money for the necessary computer infrastructure improvements to make campaign contributions and spending reports easy to complete and share on its Web site. The Legislature has not approved funding, even prior to current budget difficulties.

Secretary of State Bill Bradbury recently announced the formation of a disclosure commission to tackle loopholes in Oregon's system of disclosure—the only way the state regulates campaign finance. Oregonians deserve campaign-financing information that is as easy to access as online shopping. MiPRAP urges the disclosure committee to press for creation of a web-based, searchable database. The disclosure commission should also review other opportunities to ensure that the disclosure loopholes identified in this report are not repeated. (MiPRAP's executive director, Janice Thompson, has been contacted by Bradbury's office about serving on the disclosure commission, but plans have not been finalized.)

Addendum

The next contribution and expenditure reports related to Ballot Measure 30 were filed on December 29, 2003. Based on these, we have added more details to our original analysis and reevaluated our initial Transparency or Transparency Defeated determinations. We also evaluated the Taxpayer Defense Fund press release, comparing the information they released with the contribution figures in the actual disclosure reports.

We anticipated that two PACS, Oregon Citizens for a Sound Economy and Taxpayer Association of Oregon Ballot Measure PAC, the TDF's major allies, would file paperwork indicating their opposition to Ballot Measure 30, requiring them to file the 1st pre-election report for the February 3rd election (which was due on December 29, 2003).

These major "No on 30" committees were joined by the Oregon Family Council PAC, Libertarian Party of Oregon PAC, Christian Victory PAC, and Parent's Education Association PAC. This expanded our ability to make disclosure updates.

The information for these PACs on their 12/29 reports indicates that, with one exception, MiPRAP's initial transparency designations were on target. The Christian Victory PAC, whose initial transparency designation was MUDDY WATERS, is now changed to TRANSPARENCY DEFEATED. Our initial reason (as discussed on pages 5 - 9 with additional information in italics) for granting a MUDDY WATERS designation to the Christian Victory PAC was that their "on-hand" cash reserves were not enough to have paid for the items included in their in-kind contribution to TDF. This designation shifts to TRANSPARENCY DEFEATED because their 12/29 report indicates at least one contribution that could have been made directly to TDF. This is a \$1,626 dollar contribution from the Christian Coalition of Oregon C-4 Fund.

A summary of the 12/29 reports for six of the PACs that made in-kind contributions to TDF during the signature-gathering phase is provided below. The data in these charts was reported on their 12/29 reports. But we separated out the contributions and contributor into two periods.

- The first is from 9/6 11/25, the period of time in which signature gathering occurred. (This time period correlates with what was reported by the chief petitioner committee TDF in its report due on 12/10/2003.)
- The second time period is 11/26-12/18.

The aggregate column in the charts below reflects the totals contributed over both these time periods. In most cases the aggregate figures reflect total fundraising reported on the 12/29 reports. In a few cases, there were contributions reported that were made prior to 9/6. These are noted at the bottom of each of the charts below. Finally, miscellaneous contributions of \$50 or less are undated and cannot be allocated to one of these two time periods.

The 1st pre-election reports filed on 12/29/03 confirms our earlier designation for those TDF ally PACs that originally received the TRANSPARENCY DEFEATED designation..

Most (88.9% or \$317,311) of the total contributions to OCSE were donations that could reasonably have been made directly to TDF.

Oregon Citizens for a Sound Economy - # (as reported on 12/29)

Original TRANSPARENCY DEFEATED designation is confirmed

Contributor	Amount / %s of agg	gregate totals	Aggregate
Contributor	9/6/ - 11/25/03	11/26-12/18/03	Aggregate
Undated misc. contributions of \$50 or less	\$362/0	0.1%	\$362
Dated contributions from individuals and	\$100 (1 donor)/	none	\$100
companies giving \$200 or less	0.03%		
Adec, Inc.	\$55,100/15.4%	none	\$55,100
Bobosky, Robert S	\$5,000/1.4%	none	\$5000
Butler, Committee to Elect Tom	none	\$1,000/0.3%	\$1000
Citizens for a Sound Economy	\$66,961/18.8%	\$7,630/2.1%	\$74,591
Columbia Helicopters Inc./Wes Lematta	\$40,000/11.2%	\$15,100/4.2%	\$55,100
Freres Lumber Co., Inc.	\$27,550/7.7%	none	\$27,550
Jeld-Wen, Inc.	\$40,000/11.2%	\$15,100/4.2%	\$55,100
Mitchell, John	none	\$500/0.1%	\$500
Oregon Grocery Association PAC	\$7,500/2.1%	none	\$7500
Seneca Sawmill Co.	\$75,100/21.0%	none	\$75,100
Totals	\$362/0.1%		¢257.002
	\$317,311/88.9%	\$39,330/11.0%	\$357,003

No gifts on or before 9/5/03

Over one-third (30.9% or \$21,638) of the total contributions to TAOBM were donations that could reasonably have been made directly to TDF. This is particularly true of the single largest contribution to TAOBM, Jay Woodworth whose in-kind contributions of \$7,580 to TAOBM are identified as being an in-kind contribution to TDF.

Taxpayer Association of Oregon Ballot Measure PAC - #4491

(as reported on 12/29)

Original TRANSPARENCY DEFEATED designation is confirmed

Contributor	Amount / %s of ag	gregate totals	Aggregate
Controutor	9/6/ - 11/25/03	11/26-12/18/03	Aggregate
Undated misc. contributions of \$50 or less	\$46,305/	63.62%	\$46,305
Dated contributions from individuals and companies	\$10,058 (100	\$1,235 (12	\$11,293
giving \$200 or less	donors)/13.82%	donors)/1.7%	
Brix, Peter	500/0.7%	none	\$500
Bryan, John	none	250/0.4%	\$250
Bryan, Martha	none	250/0.4%	\$250
Federspield, Robert	250/0.4%	none	\$250
Lekas, John	500/0.7%	none	\$500
McIver, Douglas	1,000/1.4%	none	\$1000
Meligan, Jack	250/0.4%	none	\$250
Ned Baker Real Estate	250/0.4%	none	\$250
Oregon Rental Owners PAC	1,000/1.4%	none	\$1000
Porfily, Frank	250/0.4%	none	\$250
Sharp Auto Body and Paint	none	250/0.4%	\$250
Woodworth, Jay*	\$7,580/10.8%	none	\$7880
Totals	\$46,305/66.2%		\$69,928
	\$21,638/30.9%	\$1,235/2.8%	φ09,926

This disclosure report included eight contributors on or before 9/5: Integrated Data Concepts: \$2000; Angle Orthodontics: \$100; Grosso, Alan: \$100; Stein Enterprises: \$250; Business Connections, Inc.: \$100; George Frank: \$100; Foreman, LeRoy: \$100; Baileys Enterprises: \$100 *Notes on the disclosure report indicate that donations from this donor represent an in-kind donation to the Taxpayer Defense Fund.

The newer reports also confirm the USE OF WAR CHEST DOLLARS designation for those TDF ally PACs that originally received it. The charts below for these three PACs--Oregon Family Council PAC, Libertarian Party of Oregon PAC, and Parent's Education Association PAC--also indicate that that the contribution patterns during the two time periods identified below are similar and consistent with historical contribution patterns for these groups. These PACs rely on continuous contributions from primarily small donors. In the case of the Libertarian Party, even larger contributions are consistent with the past contributions, as those from 2002 Libertarian gubernatorial candidate, Thomas Cox, represent.

OR Family Council PAC – #2189 (as reported on 12/29)

Original USE OF WAR CHEST DOLLARS designation is confirmed

Contributor	Amount / %s of ag	Amount / %s of aggregate totals		
Controllor	9/6/ - 11/25/03	11/26-12/18/03	Aggregate	
Undated misc. contributions of \$50 or less	\$79,244	\$79,244/96.7%		
Gunter, Aurel	\$400/0.5%	none	\$400	
Dated contributions of \$200 or less	\$1,700 (16	\$610 (6	\$2310	
	donors)/2.1 %	donors)/0.7 %		
Totals	\$79,244	\$79,244/96.7%		
	\$2,100/2.6%	\$610/0.7%	\$81,954	

No gifts on or before 9/5/03.

Libertarian Party of Oregon PAC – #622 (as reported on 12/29)

Original USE OF WAR CHEST DOLLARS designation is confirmed

Contributor	Amount / %s of ag	Aggregate	
Contributor	9/6/ - 11/25/03	11/26-12/18/03	riggiegate
Misc. contributions of \$200 or less	\$2,679 (68	\$1,627 (20	\$4306
	donors)/16.0 %	donors)/9.7%	
Casterline, James and Marlene Collins	\$500/3.0%	\$3,000/17.9%	\$3500
Farago, Paul	none	\$3,000/17.9%	\$3000
Libertarian National Committee	\$984/5.9%	\$500/3.0%	\$1484
Stars Caberet and Steakhouse	none	\$2,000/11.9%	\$2000
Ambrose, Anthony	\$1,000/6.0%	none	\$1000
Cox, Thomas B.	\$1,500/8.9%	none	\$1500
Totals	\$6663/39.7%	\$10,127/60.3%	\$16,790

No gifts on or before 9/5/03; first reported gift dated 10/6. Disclosure report includes every gift, and does not lump those less than \$50

Parent's Education Association PAC – #216 (as reported on 12/29)

Original USE OF WAR CHEST DOLLARS designation is confirmed

Contributor	Amount / %s of ag	Amount / %s of aggregate totals		
Continuation	9/6/ - 11/25/03	11/26-12/18/03	Aggregate	
Undated misc. contributions of \$50 or less	\$7860/	\$7860/94.0%		
Walter, Howard Jr.	\$100/1.2%	none	\$100	
Birch, Ray	none	\$100/1.2%	\$100	
Johnston, Richard	none	\$100/1.2%	\$100	
Karman, Dorothy	none	\$100/1.2%	\$100	
Klimer, Marian	none	\$100/1.2%	\$100	
Totals	\$7860/	\$7860/94.0%		
	\$100/1.2%	\$400/4.8%	\$8,360	

No gifts on or before 9/5/03.

TDF ally Christian Victory PAC originally received the MUDDY WATERS designation. In light of the newer filing, we have changed it to TRANSPARENCY DEFEATED. The major contribution made to this committee during the first time period that correlated with signature gathering was \$1,626 from the Christian Coalition of Oregon C-4 Fund. It seems reasonable that this contribution could have been made directly to TDF. If it had, transparency would be clearer. Given the small scale of this newly designated TRANSPARENCY DEFEATED committee and the issue connections between the Christian Victory PAC and the Christian Coalition, this contribution is not as egregious example of transparency defeated as that seen in the contribution patterns of OCSE and TAOBM.

Christian Victory PAC – #1607 (as reported on 12/29) Original MUDDY WATERS designation is changed to TRANSPARENCY DEFEATED

Contributor	Amount / %s of aggregate totals		Aggregate
Controttor	9/6/ - 11/25/03	11/26-12/18/03	riggregate
Undated misc. contributions of \$50 or less	\$10,220/79.56%		\$10,220
Christian Coalition of Oregon C-4 Fund	\$1,626/12.6%	none	\$1626
Dated contributions from individuals and companies	\$320 (3	\$200 (2	\$520
giving \$200 or less	donors)/2.5 %	donors)/1.6%	
Barton, Richard	none	\$500/3.9%	\$500
Totals	\$10,220/79.4%		
	\$1,946/15.1%	\$700/5.4%	\$12,866

This disclosure report included one contribution on or before 9/5/03: Charles XL Corporation dba Figaro's Pizza \$100. Comparison of the information summarized on pages 9 and 10 above from a TDF press release about contributions to OCSE and the actual OCSE report confirm MiPRAP's E for Effort but F for trace ability grade of that press release.

Oregon Citizens for a Sound Economy

	J	
DATA FROM	Data as reported	
Amount / %s of a	based on TDF	
9/6/ - 11/25/03	11/26-12/18/03	press release
\$362/0.1%		Not provided
\$100 (1 donor)/	none	Not provided
0.03%		
\$55,100/15.4%	none	\$55,100
\$5,000/1.4%	none	Not provided
none	\$1,000/0.3%	Not provided
\$66,961/18.8%	\$7,630/2.1%	Not provided
\$40,000/11.2%	\$15,100/4.2%	\$55,100
\$27,550/7.7%	none	\$27,550
\$40,000/11.2%	\$15,100/4.2%	\$55,100
none	\$500/0.1%	Not provided
\$7,500/2.1%	none	Not provided
\$75,100/21.0%	none	\$55,100
\$362		\$247,950
\$317,311	\$39,330	
	DATA FROM 2 Amount / %s of a 9/6/ - 11/25/03 \$362/ \$100 (1 donor)/ 0.03% \$55,100/15.4% \$5,000/1.4% none \$66,961/18.8% \$40,000/11.2% \$27,550/7.7% \$40,000/11.2% none \$7,500/2.1% \$75,100/21.0%	\$362/0.1% \$100 (1 donor)/ 0.03% \$55,100/15.4% none \$5,000/1.4% none \$66,961/18.8% \$7,630/2.1% \$40,000/11.2% \$15,100/4.2% \$27,550/7.7% none \$40,000/11.2% \$15,100/4.2% \$7,500/2.1% \$15,100/4.2% none \$500/0.1% \$7,500/2.1% none \$75,100/21.0% none

The TDF press release data should match with the contributions (as reported on 12/29) made between 9/6 and 11/25. (The columns to compare are in italics in the chart above.) Not all of the money was disclosed in the TDF press release. The TDF press release also referred to \$87,000 in contributions from membership and grassroots contributions, which appears to be an

overstatement of "little guy" support based on review of the actual OCSE disclosure report. The bulk of that \$87,000 looks to be the \$66,961 in-kind contribution from Citizens for a Sound Economy, and statements that those dollars originated in small contributions from Oregonians can't be confirmed.

The contributions from the following big players, A-Dec and Freres Lumber match up exactly. The contribution from Seneca Sawmill Co. is underreported in the TDF press release. The contributions reported in the press from Jeld-Wen and Columbia Helicopters/Wes Lematta match with the contributions from these businesses in aggregate over the two time periods in which we have subdivided the 12/29 report information. The Jeld-Wen and Columbia Helicopters/Wes Lematta contributions reported by TDF, however, are higher than the contributions actually made during the signature-gathering period.

The underreporting of Seneca Sawmill's contribution underscores a flaw in the idea that this proactive sharing of contributions in a press release, though admirable, is really an effective disclosure option that ensures accurate and fully transparent data.

In addition, the press reports indicate that Russ Walker knew the full extent of giving from Jeld-Wen and Columbia Helicopters/Wes Lematta. This suggest that Mr. Walker could have readily requested that those contributions be made directly to TDF, ensuring maximum transparency.