

ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 00/2

3627 HSTA CAMPAIGN FINANCING (FILE 1)

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2 AAC 50.310-2 AAC 50.405 and
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2 AAC 50.310. FILING. (a) All reports that are required to be filed under the provisions of AS 15.13 and this chapter must be received by the commission on or before the due date. Except for the 24 Hour Report, "received" means either

(1) hand-carried to the commission's central office or its branch office in the state capital; or

(2) postmarked. The date shown by the postmark is presumed to be the date it was deposited in the United States mail.

(b) The 24 Hour Report required by AS 15.13.110(b) must be filed with the commission's central office either by a collect telegram or by actual physical delivery within the prescribed time. 24 Hour Reports may not be mailed.

(c) All forms will be available at the commission's central and branch offices, at district offices during state election years, and at the participating municipalities. (Eff. 5/14/80, Reg. 74)

Authority: AS 15.13.020(j) and (k)
AS 15.13.030(10)
AS 15.13.110(a) and (b)

2 AAC 50.315. CONTRIBUTION LIMITATION EXEMPTION. (a) Groups that nominated a candidate for governor who received at least three percent of the total vote cast at the 1982 general election for governor are considered to be exempt from the contribution limitation set out in AS 15.13.070(a).

(b) Until the effective date of a statutory definition of "political party" that replaces AS 15.60.010(20) as it exists on the effective date of this section (and was held invalid in *Vogler v. Miller*, 660 P.2d 1192 [Alaska 1983]), a group, other than a group described in (a) of this section, desiring an exemption from the contribution limitation set out in AS 15.13.070(a) must submit to the commission an application for exemption. In accordance with (c) of this section, the commission will review the application and, in its discretion and on a case-by-case basis, grant the exemption.

(c) Among the criteria which will be considered in deciding whether to grant an exemption are:

(1) an organized membership, composed of registered voters, which represents a political program;

(2) prior history as a political group under AS 15.13.050 including the receipt of substantial contributions and the disbursement of substantial expenditures made for the purpose

of influencing the election of legislative candidates in more than one district; and

(3) the percentage of votes received by a statewide candidate nominated in the name of the group in the preceding general election. (Eff. 1/2/84, Reg. 89)

Authority: AS 15.13.030(10)
AS 15.13.070(a)

2 AAC 50.320. GENERAL RECORDKEEPING REQUIREMENTS FOR CANDIDATES AND GROUPS. (a) Every candidate and group required to report contributions or expenditures under the provisions of AS 15.13 shall maintain detailed records of all contributions received and expenditures made in accordance with the uniform methods of bookkeeping set out in the commission's bookkeeping guide.

(b) A candidate or his treasurer, and the treasurer of a group, may issue a receipt, and shall record the receipt of every contribution received, unless otherwise exempted by this chapter, regardless of the dollar amount or value of the contribution. While the identity of a person who has contributed no more than \$100 to a campaign is not required to be individually reported by the treasurer on a campaign disclosure report, the name of such a contributor, along with the amount and type of his contribution, must be recorded by the treasurer and maintained by the treasurer, for comparative purposes, in case that person makes additional contributions which total over \$100.

(c) The identity of a person who has contributed over \$100 in the aggregate per year to a candidate's or group's campaign must be reported in accordance with 2 AAC 50.321.

(d) Each bookkeeping record required under this section shall be maintained by the candidate or the treasurer of a group and may not be destroyed for a period of four years from the date of the contribution. The records shall be available for inspection by the commission upon request of the commission. (Eff. 5/14/80, Reg. 74)

Authority: AS 15.13.020(2) AS 15.13.040
AS 15.13.030(10) AS 15.13.120(e)

2 AAC 50.321. REPORTING CONTRIBUTIONS AND EXPENDITURES. (a) Each candidate or group filing reports under AS 15.13 must identify

(1) each monetary contribution, or aggregate of contributions from the same contributor, which totals in excess of \$100 by reporting

(A) the date received;

(B) the check number;

(C) the name and address of the contributor;

(D) the principal occupation and employer of the contributor; and

(E) the amount;

(2) each nonmonetary contribution, or aggregate of nonmonetary contributions from the same contributor, valued at more than \$100 a year, by reporting

(A) the date received;

(B) the name and address of the contributor;

(C) the principal occupation and employer of the contributor;

(D) a description of the contributions; and

(E) its estimated fair market value;

(3) each loan, or aggregate of loans from the same contributor, which totals in excess of \$100, by reporting

(A) the date received;

(B) the name and address of the lender, guarantor or cosigner;

(C) the principal occupation and employer of the lender, loan guarantor or cosigner;

(D) the interest rate; and

(E) the amount;

(4) each paid expenditure by reporting

(A) the date of the payment;

(B) the check number;

(C) the name and address of the payee;

(D) the purpose of the expenditure; and

(E) the amount; and

(5) each accrued expenditure by reporting

(A) the date the expenditure was incurred;

(B) the name and address of the business or individual with whom the debt was incurred;

(C) the purpose of the accrued expenditure; and

(D) the amount.

(b) When reporting monetary and nonmonetary contributions or loans, a cumulative total must be kept by each candidate or group of the contributions (including loans) made to it, regardless of the total, and reported pursuant to (a) of this section when

(1) monetary contributions by the same contributor bring the total to over \$100; or

(2) nonmonetary contributions by the same contributor bring the estimated total value to over \$100; or

(3) loans by the same lender, guarantor, or cosigner bring the total to over \$100; or

(4) a combination of monetary or nonmonetary contributions or loans by the same contributor brings the total to over \$100. (Eff. 7/22/78, Reg. 67)

Authority: AS 15.13.030(10)
AS 15.13.040(a) and (b)
AS 15.13.130(2) and (4)

2 AAC 50.322. RECORDKEEPING REQUIREMENTS FOR AUCTIONS AND GARAGE SALES. Repealed 5/14/80.

2 AAC 50.323. RECORDKEEPING REQUIREMENTS FOR CONTRIBUTIONS RECEIVED FROM THE SALE OF CAMPAIGN MATERIAL. Repealed 5/14/80.

2 AAC 50.324. SHARED CAMPAIGN REPORTING. Except for expenditures by the candidates for governor and lieutenant governor of the same political party who have been nominated to run in the general election, the following provisions apply to all candidates and groups, other than a political party, subject to the provisions of AS 15.13 and this chapter:

(1) The use, by one candidate, of the money, goods or services raised or generated by his campaign, to influence the election of another candidate, is considered a contribution and cannot exceed the \$1,000 limitation set by AS 15.13.070(a); nothing in AS 15.13 or this chapter, however, limits an individual's right to make any expenditure whatsoever to influence the election of a candidate, so long as that expenditure is not made at the suggestion of that candidate, directly or indirectly paid for by that candidate, or otherwise controlled by that candidate.

(2) An expenditure made by one group, other than a political party, on behalf of another group which is controlled by a candidate is considered a contribution and may not exceed the \$1,000 limitation set by AS 15.13.070(a).

(3) A candidate may not join his campaign committee with that of one or more candidates in order that they may file a single report of their joint campaign, nor may a group join with one or more groups in order that they may file a single report of their joint efforts.

(4) Candidates or groups prohibited from forming a joint campaign under (3) of this section may share in campaign efforts, under (5) of this section, so long as they keep separate campaign accounts and file separate statements of their contributions and expenditures under AS 15.13 and 2 AAC 50.

(5) Two or more candidates, or two or more

groups, may share in campaign efforts so long as the cost of, and receipts from, shared efforts are allocated equally to each participating candidate or group's campaign.

(6) So long as the costs of, and receipts from, shared efforts are allocated equally to each participant of a shared campaign, neither the costs or receipts are considered as a contribution from one participant to any of the other participants.

(7) Each candidate or group filing reports pursuant to AS 15.13 and 2 AAC 50 must complete an APOC Form 15-SA, the "Shared Campaign Activities" form, which represents his or its proportionate share of the receipts and expenditures of a shared campaign effort.

(8) A proportionate share of the amount of an expenditure benefiting one or more candidates, or one or more groups, of a shared campaign effort, but paid for in full by one of the candidates, or by one of the groups, will be considered a contribution by

(A) the paying candidate to the other candidates; or

(B) the paying group to the other groups.

(9) Media communications regarding a shared campaign activity are considered properly identified so long as the identification includes the words "paid for by" and the name of each candidate or group sharing in the cost of the communications. The address and treasurer of each participating candidate or group need not be listed. However, if a communication is paid for in its entirety by only one of the participants then, in accordance with 2 AAC 50.369, full and proper identification is required. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)
AS 15.13.040(a) and (b)
AS 15.13.070(a)
AS 15.13.090

2 AAC 50.325. RECORDKEEPING REQUIREMENTS FOR NONMONETARY CONTRIBUTIONS. (a) In order to establish the value of a nonmonetary contribution under circumstances where no easily determined, regular, or

meaningful pricing precedent exists, a campaign treasurer shall, on the applicable campaign disclosure statement, report the contribution with a detailed description of the good or service provided, including the name and address of the donor, in lieu of the requirement that he make a determination of the monetary value of the contribution. This nonmonetary contribution shall not be counted towards determining the \$1,000 limitation for the contributor involved. Applicable circumstances include the use of an office, including office equipment and telephones for local calls, on an infrequent and irregular basis; the closing of a restaurant for an evening and the donation of those facilities to a candidate or group for a fund-raiser, etc.

(b) In circumstances where a nonmonetary contribution is a donated good or service for which a fair market value exists, a campaign treasurer shall record and report, except as required by (c) and (e) of this section, only those nonmonetary contributions which exceed \$50 in estimated fair market value. Contribution of a good or service whose estimated fair market value does not exceed \$50 does not count toward determining the \$1,000 limitation for the contributor involved. Goods and services include, but are not limited to, items donated to a garage sale; food donated to a potluck dinner; wood, paint, or carpentry expertise donated for sign construction; paper donated for flyers; and other items donated to a campaign for its use.

(c) The actual cost or value of a good or service purchased specifically by a person for donation to a campaign, or purchased at the request or suggestion of a campaign for use by that campaign, is considered a nonmonetary contribution to the candidate or group receiving the donation, and shall be recorded and reported in full as required by AS 15.13 and 2 AAC 50.320 and 2 AAC 50.321.

(d) Nonmonetary contributions of air, land, and water transportation and hotel/motel accommodations must be valued as follows:

(1) air travel

(A) if a commercial or charter service is used, the actual commercial or charter cost;

(B) if a noncommercial, business plane is used, the actual cost of plane operation to the destination;

(C) if an individually owned plane is used, the actual cost of plane operation to the destination, or the mileage allowance set out in the State of Alaska Administrative Manual, published by the Department of Administration, as of June 29, 1984;

(2) motor vehicle

(A) if a rented or leased vehicle is used, the actual charge for the vehicle;

(B) if a noncommercial, business vehicle is used, the actual cost of vehicle operation to the destination;

(C) if an individually owned vehicle is used, the actual cost of vehicle operation to the destination, or the mileage allowance set out in the State of Alaska Administrative Manual, published by the Department of Administration, as of June 29, 1984;

(3) water travel

(A) if a commercial or charter service is used, the actual commercial or charter cost;

(B) if a noncommercial, business vessel is used, the actual cost of vessel operation to the destination;

(C) if an individually owned, noncommercial vessel is used, the actual cost of vessel operation to the destination, or the mileage allowance set out in the State of Alaska Administrative Manual, published by the Department of Administration, as of June 29, 1984;

(4) room and board donated or paid for by a contributor at a commercial establishment must be valued at the rate ordinarily charged for such accommodations.

Editor's Note: A copy of the travel and moving provisions of the State of Alaska Administrative Manual, referred to in 2 AAC 50.325(d), may be obtained from the Alaska Public Offices Commission, 610 C Street, Suite 211, Anchorage, AK 99501; phone (907) 276-1176.

(e) In circumstances where a nonmonetary contribution is a professional service, the value of the professional service, and any costs or expenses associated with performing that service which have been paid by the donor, shall be recorded and reported in full, and as provided for by 2 AAC 50.350. For the purposes of this section, a "professional service" shall be defined to include any service concerned with research, public opinion surveys or polls, computer services, campaign media production or preparation, and campaign consultation or management.

(f) Contributions of goods or services listed below are exempt from being reported by a campaign treasurer:

(1) a candidate's own contribution of goods or services, or goods remaining from prior campaigns which are reused by his campaign; excluding transportation costs, which shall be reported as required by (d) of this section, or at the actual cost to the campaign;

(2) volunteer services, except as specified in (d) of this section;

(3) services provided by an accountant or other person to prepare reports or statements required by this chapter; and

(4) ordinary hospitality in a home; "ordinary hospitality in a home" means a small (no more than 25 people), informal get-together in a private home, where friends and neighbors of the host are invited to meet the candidate; functions held in private homes for the purpose of raising funds do not meet the criteria of ordinary hospitality in a home. (Eff. 5/14/80, Reg. 74; am 5/24/81, Reg. 78; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)

AS 15.13.040

2 AAC 50.326. RECORDKEEPING REQUIREMENTS AND EXEMPTIONS WHEN REPORTING A FUND-RAISER. (a) A candidate or his treasurer, and the treasurer of a group, shall report all the contribution and expenditure activity related to a campaign fund-raiser in a format designated by the commission, and in accordance with this section. Fund-raisers sponsored in conjunction with several candidates

or groups are viewed as shared fund-raising activities and, while subject to the provisions of this section, must be reported separately on APOC Form 15-3SA and in accordance with 2 AAC 50.324.

(b) When reporting a fund-raiser, a candidate or his treasurer, and the treasurer of a group, shall state the total number of contributing participants, the date and place where the event was held, if applicable, a description of the type of fund-raising activity, and the total costs of, and receipts from, the event.

(c) For the purposes of this section, "fund-raiser" includes, but is not limited to, a garage sale; a raffle or drawing; an auction; a spaghetti feed or potluck dinner; the sale of campaign material, such as posters, buttons, stickers, clothing, key chains and ashtrays; or a sponsored concert.

(d) The requirement in AS 15.13.040 and 2 AAC 50.320 that a candidate or his treasurer, or the treasurer of a group, must record the name of every person making a contribution, regardless of the amount of that contribution, does not apply to events which meet the following criteria:

(1) fund-raisers, similar in nature to spaghetti feeds, bingo games, dances, or concerts, where

(A) there are 25 or more paying participants; and

(B) except as described in (f) of this section, the cash amount received from any one person does not exceed \$50;

(2) fund-raisers, such as a raffle, lottery or a drawing, where

(A) 25 or more tickets are sold; and

(B) except as described in (f) of this section, the price of a ticket or the amount received from any one person purchasing chances does not exceed \$50;

(3) fund-raisers, the income from which is based on the sale of campaign material, where, except as described in (g)

(A) the price of an item being sold does not exceed \$10; or

(B) the amount received from any one person purchasing items does not exceed \$50;

(4) fund-raisers, such as garage sales and auctions, where, except as described in (g)

(A) the fair market value of an item donated for sale or auction does not exceed \$50; or

(B) the amount received from any one person purchasing items at the garage sale or auction does not exceed \$50.

(e) When reporting receipts from a fund-raiser which meets the recording exemption set out in (d) of this section, the candidate or his treasurer, or the treasurer of a group, need only report the total amount of contributions received from or generated by the fund-raiser, along with the total number of paying participants, tickets sold, or items purchased, as applicable.

(f) If a person contributes in excess of the exempted amounts stated in (d)(1)(B) or (d)(2)(B) of this section, then the name of that person, and the amount and type of that contribution, must be recorded as set out in 2 AAC 50.320.

(g) If the cost of or value of an item exceeds the exempted amount, or if a person contributes or pays in excess of the exempted amounts stated in (d)(3) or (4), then the name of that contributor or buyer must be recorded as set out in 2 AAC 50.320.

(h) A contribution made by a person to attend or otherwise participate in a "fund-raiser," as defined in (c) of this section, whether or not exempted from full recording under this section, may not be received by or on behalf of a candidate in violation of AS 15.13.070(a). (Eff. 5/14/80, Reg. 74; am 5/24/81, Reg. 78; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)
AS 15.13.040

2 AAC 50.330. REPORTING CAMPAIGN EXPENDITURES FOR TRANSPORTATION.

(a) Direct campaign expenditures for transportation or reimbursements to a person for transportation are reportable and must be valued in accordance with 2 AAC 50.325(d).

(b) Personal living expenses of the candidate and the candidate's campaign workers, or the campaign workers of a political group, are not considered campaign expenditures and need not be reported unless the candidate's or group's campaign actually pays, either directly or through reimbursement, for the room and board of the traveling campaign workers or the candidate. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)
AS 15.13.040

2 AAC 50.332. REPORTING ZERO CONTRIBUTION OR EXPENDITURE ACTIVITY.

(a) Each candidate or group required to file a full report of all contributions received and expenditures made in accordance with AS 15.13 and this chapter shall report in accordance with the reporting schedule set out in AS 15.13.110(a), regardless of the amount of their reportable contributions or expenditures. In the absence of any contribution or expenditure activity whatsoever during a reporting period, each candidate or group not already exempt from reporting under (b) or (c) of this section shall submit by the appropriate due date the "Short Form" on Schedule A of the Campaign Disclosure Statement certifying that no contributions have been received or expenditures made.

(b) A candidate who does not intend to receive or accept contributions, or make expenditures during his campaign for municipal or state public office, including any personal campaign contributions or expenditures, may file APOC Form 15-0, the "Campaign Reporting Exemption Form." A candidate who files the exemption form is not required to submit any other reports to the commission concerning his campaign. The reporting exemption is revoked if a candidate accepts contributions or spends money to influence his election. A candidate whose exemption is revoked must immediately register his change of status on APOC Form 15-1 and, in accordance with AS 15.13.110, must dis-

close his campaign contribution and expenditure activity beginning with the first campaign disclosure report due following his change in status. Failure to report campaign contribution or expenditure activity after the reporting exemption is revoked subjects the candidate to both civil and criminal penalties for noncompliance with the reporting requirements of AS 15.13 and 2 AAC 50.

(c) The treasurer of a political party subdivision or political action committee previously registered with the commission which does not intend to receive or accept contributions, or make expenditures, during a municipal campaign may, in accordance with the requirements set forth in (b) of this section, file APOC Form 15-0. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 15.13.040(a) and (b)
AS 15.13.110

2 AAC 50.333. REPORTABLE DATE OF A CONTRIBUTION. A contribution is considered received, and reportable as such, on the day in which that contribution is in the possession of a candidate, or a treasurer or deputy treasurer of a candidate or group, in accordance with AS 15.13.070(e) and this chapter. (Eff. 7/22/78, Reg. 67)

Authority: AS 15.13.030(10)
AS 15.13.070(e)

2 AAC 50.334. PERSONS WHO MAY ACCEPT CONTRIBUTIONS. (a) A candidate's campaign committee, or a group, may authorize a person who is not registered as a deputy treasurer to accept or solicit campaign contributions on its behalf for any single event. Campaign committees or groups are not in violation of AS 15.13.070(e) if contributions collected by the authorized person are turned over to a candidate, treasurer, or deputy treasurer of the intended committee or group within 72 hours.

(b) An individual who is, or will be, fundraising on a regular basis throughout a political campaign must be registered as a deputy treasurer in accordance with AS 15.13.060(e).

(c) Individuals that have not been "authorized" to accept campaign contributions by

either a candidate or his treasurer, or the treasurer of a group, are prohibited from collecting campaign contributions on behalf of a candidate's campaign committee or a group. (Eff. 4/28/79, Reg. 70; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10) AS 15.13.070(e)
AS 15.13.060 AS 15.13.130(2)

2 AAC 50.340. EXPENDITURES TO ADVERTISING AGENCIES OR CAMPAIGN MANAGEMENT SERVICES. Whenever a required report includes an expenditure to an advertising agency, or to an individual or business which provides campaign consultation or management services, the report shall be accompanied by a statement detailing all services rendered, including the identity of each business from which campaign goods or services were purchased or subcontracted, or media advertising placed, and their costs. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 15.13.040(f)

2 AAC 50.342. REGISTRATION OF GROUPS SUPPORTING OR OPPOSING BALLOT ISSUES. Each group, before making an expenditure in support of or in opposition to a ballot proposition, shall register with the commission on forms provided by the commission. (Eff. 5/14/80, Reg. 74)

Authority: AS 15.13.010(b) AS 15.13.040(b)
AS 15.13.030(10) AS 15.13.050

2 AAC 50.350. CONTRIBUTION OF PROFESSIONAL SERVICES. (a) A contribution as defined by AS 15.13.130(2) includes donated services where the services performed are the same kind of service for which the donor has received more than 25 percent of his income in any one of the preceding three calendar years.

(b) Contributed professional services shall be valued under AS 15.13.130(2)(A) at the amount which the donor receives for the kind of services contributed. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10)
AS 15.13.130(2)

2 AAC 50.351. INDEPENDENT EXPENDITURES. (a) An independent expenditure is a disbursement of funds which is made expressly to support or oppose an individual's candidacy or a ballot issue. An independent expenditure is

not made with the cooperation, consent, in consultation with, or at the request or suggestion of, a candidate, a candidate's campaign committee, or a group, and must be reported in accordance with AS 15.13.040(d)(2) and (e) by the maker of the expenditure.

(b) An expenditure made at the request of, in consultation with, or at the suggestion of a candidate, a candidate's campaign committee, or a group supporting or opposing a ballot issue, is considered an in-kind contribution by the person making the expenditure, and must be reported in accordance with AS 15.13.040(a) by the candidate or group benefiting from the contribution, and by the "contributor" in accordance with AS 15.13.040(d)(1) and (e).

(c) There is no limit on the amount or frequency of independent expenditures.

(d) The report of an expenditure to influence the outcome of a ballot issue required to be filed under AS 15.13.040(d)(2) will be closed to the public only if the commission determines, in response to a written request, that the individual who makes the expenditure would likely be subject to undue harassment, threats, or economic reprisals as the result of public disclosure. After publication, the person granted an exemption shall provide the commission with a copy of the communication in order to enable the commission to verify which communications were sponsored by that person. (Eff. 5/14/80, Reg. 74; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)
AS 15.13.040
AS 15.13.090

2 AAC 50.355. LOANS. (a) A loan from an individual or person to a candidate is considered a contribution to the extent of the outstanding balance. An unpaid loan, when added to other contributions from the same lender, may not exceed the \$1,000 contribution limitation.

(b) A loan to a candidate from a regulated lending institution which is endorsed, guaranteed, or co-signed by a person or persons other than the candidate, is considered a contribution to the extent of the outstanding balance. If a loan is endorsed, guaranteed, or co-signed by

more than one person, each guarantor's contribution is calculated by dividing the amount of the loan by the number of persons who guaranteed it, and the calculated amount contributed by each may not exceed the \$1,000 contribution limitation.

(c) Repealed 10/18/81.

(d) A bank loan made directly to a candidate, in accordance with applicable banking laws and in the ordinary course of business, does not count as a contribution by the bank. It must, however, be reported by the candidate as the candidate's personal contribution to the campaign.

(e) A loan may be forgiven, or the guarantor may pay off a loan, so long as the amount forgiven or paid does not exceed \$1,000. The candidate must indicate on the applicable campaign disclosure report when a loan reverts to a monetary contribution. (Eff. 5/14/80, Reg. 74; am 10/18/81, Reg. 80)

Authority: AS 15.13.030(10) AS 15.13.070
AS 15.13.040 AS 15.13.130(2)

2 AAC 50.360. MUNICIPALITIES. (a) When a municipality seeks to influence the outcome of an election, it shall report in the same manner as a group. For the purpose of complying with AS 15.13.040(b)(1)'s requirement to list the name and address of each officer and director, the municipality shall list the name and address of its mayor and of its council or assembly members. For the purpose of complying with AS 15.13.040(b)(1)'s requirement to list the name and address of its campaign treasurer, the municipality shall list the name and address of its finance director, controller, treasurer, or equivalent officer. For the source of contributions (AS 15.13.070(h)), the municipality shall list the particular fund from which the appropriation is made.

(b) All communications which are paid for by a municipality and which are related to an election are considered to be intended to influence the outcome of an election unless they are only notices of the election or unless they are required by statute, charter, or ordinance.

(c) The municipality shall file with the commission a list of candidates and their mailing

addresses within seven days following the deadline for filing for municipal office. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.010 AS 15.13.060
AS 15.13.030(10) AS 15.13.090

2 AAC 50.361. REPORTING BY SPECIAL INTEREST GROUPS. Repealed 10/18/81.

2 AAC 50.362. DRAFT GROUPS. (a) A draft group must report its contribution and expenditure activity as a group, under the requirements of AS 15.13 and this chapter.

(b) A draft group

(1) may make expenditures in order to raise, through contributions to the group, the money necessary to

(A) defray its own administrative costs; and

(B) attempt to draft persons to become candidates, including the expenditure of money to

(i) extoll the qualities of persons the group is attempting to draft; and

(ii) inform the general public both of the group's position on issues, as well as the qualities of leadership it seeks in potential candidates; and

(2) may not

(A) engage in any political activity other than an activity described in (b)(1) and (c) of this section;

(B) accept contributions in excess of \$1,000 from any person or group;

(C) except for personal travel expenses, opinion surveys, or polls, make any expenditure that might benefit a person who the group has successfully drafted for office and who has made it known that he or she will be seeking election to public office; however, the group may continue in its attempts to draft other persons for elective office; and

(D) except as provided in (c) of this section, make contributions to, contribute previously produced material to, or expend funds on behalf of, any person who has declared that he or she is seeking office or who has filed a declaration of candidacy or nominating petition or become a candidate by any other means.

(c) A draft group that expends more than 50 percent of its funds in an effort to draft one individual or, in the case of gubernatorial and lieutenant gubernatorial candidates, a team of individuals, to campaign for public office is, for the purposes of AS 15.13.130(3) and this chapter, considered a controlled group. If the person or team subject to the draft formally declares for public office, then the amount contributed to the draft group must be added to any contributions made the same year to the drafted candidate's or team's own campaign committee, in order to determine whether a contributor has made the maximum allowable contribution as outlined in AS 15.13.070(a). As a controlled group, the draft group may contribute the maximum allowed by law to the candidate or team of candidates. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74; am 6/29/84, Reg. 90)

Authority: AS 15.13.010
AS 15.13.030(10)
AS 15.13.040(b)
AS 15.13.070(a)
AS 15.13.100
AS 15.13.130(2), (3) and (4)

2 AAC 50.363. SUBCOMMITTEES OF A CANDIDATE'S CAMPAIGN COMMITTEE OR OF A CONTROLLED GROUP. A subcommittee may be created within a candidate's campaign committee or within a controlled group. These subcommittees are not considered separate groups and shall not maintain separate bank accounts and records or file separate reports. The name of the candidate or controlled group must be a part of the name of the subcommittee. The name of the subcommittee shall not be used when identifying political advertising under AS 15.13.090 and 2 AAC 50.369. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10) AS 15.13.050
AS 15.13.040(a) AS 15.13.090

2 AAC 50.369. PROPER IDENTIFICATION OF POLITICAL COMMUNICATIONS. (a) Except as provided in (d) of this section, "proper identification" of a communication intended to influence the election of a candidate or the outcome of a ballot issue means that the communication is clearly identified with the words "paid for by," followed by the name and full address of the candidate, group, or individual actually paying for the advertising. The name of the campaign chairman must also be identified. If the candidate and the chairman are the same person, the name need not be repeated.

(b) Standard English abbreviations may be used in the written identification.

(c) "Clearly identified," as used in AS 15.13.090, means that

(1) in all printed communications, the proper identification must be visible, separate from the text of the advertisement itself, and large enough to be read by a person with average vision without the aid of corrective lenses;

(2) in all audio-visual communications, the proper identification must either

(A) be visual, and of sufficient size and duration to be read in full by the viewer; or

(B) be spoken, and played at the same audio level as the text of the communication itself; or

(C) be both visual and spoken, in accordance with (A) and (B) of this paragraph;

(3) in all audio communications, the proper identification must be spoken at the same audio level as the text of the communication itself.

(d) If the commission determines, under 2 AAC 50.351(d), that an expenditure report will not be made public, the political communication intended to influence the outcome of a ballot proposition or question is properly identified if, in place of the "paid for by" phrase, the communication includes, in the manner required by (c) of this section, the commission waiver

identification number assigned by the commission to that communication. (Eff. 4/28/79, Reg. 70; am 10/18/81, Reg. 80; am 6/29/84, Reg. 90)
Authority: AS 15.13.030(10)
AS 15.13.090

2 AAC 50.370. OBJECTS TOO SMALL TO CONTAIN THE PROPER IDENTIFICATION. If the size of an object utilized for a campaign advertisement is such that it is impractical to print the identification of the candidate, group, or person paying for the advertisement on the object, the advertisement shall instead be identified in a regular expenditure report to the commission. Objects considered too small for full identification include pencils, pens, and buttons. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74)
Authority: AS 15.13.030(10)
AS 15.13.090

2 AAC 50.375. COMMUNICATIONS BY INCUMBENT ELECTED OFFICIALS. (a) A communication by an incumbent state elected official, who is also a declared candidate for elective office, with his constituency via a newsletter or other printed matter, or a paid radio or television spot, does not constitute a reportable campaign expense unless it

specifically and expressly advocates the election or defeat of a candidate (including himself), or the passage or defeat of a ballot issue.

(b) A communication by an incumbent municipal elected officer who is also a declared candidate for elective office, with his constituency via a newsletter or other printed matter, or a paid radio or television spot, does not constitute a reportable campaign expense unless it specifically and expressly advocates the election or defeat of a candidate (including himself), or the passage or defeat of a ballot issue.

(c) The commission will, in its discretion, review a communication by an incumbent elected official where a question concerning whether or not the communication is a reportable campaign expense arises. (Eff. 7/22/78, Reg. 67)

Authority: AS 15.13.010 AS 15.13.090
AS 15.13.030(10) AS 15.13.130(4)
AS 15.13.045

2 AAC 50.380. EARLY CAMPAIGNING. An individual wishing to campaign for municipal elective office shall comply with AS 15.13.100 by providing written notification to the commission of his candidacy for a particular municipal office only if the filing period has not opened. The ability to file a letter announcing one's intent to run for public office only applies, however, to individuals campaigning for municipal office. An individual wishing to campaign for state elective office shall comply with AS 15.13.100 by filing a declaration of candidacy with the lieutenant governor. (Eff. 5/16/76, Reg. 58; am 5/14/80, Reg. 74).

Authority: AS 15.13.030(10)
AS 15.13.100

2 AAC 50.385. REPORTING BY ORGANIZATIONS AND BUSINESS OR TRADE ASSOCIATIONS. (a) A group, as defined by AS 15.13.130(3), does not include an organization or business or trade association, if

(1) the major purpose of such an organization or association is other than to influence the outcome of an election; and

(2) the money for any political contributions or expenditures is paid from the general fund of such an organization or association, as opposed

to a special fund as described in (d) of this section.

(b) "Major purpose" means, in this section, that the stated major goals and objectives of an organization or business or trade association are primarily directed towards attempting to influence the outcome of elections and, in actual dollar amounts, that more of the organization's or business or trade association's money is devoted to contributions or expenditures to influence the outcome of an election than to any other single purpose.

(c) Organizations and business or trade associations which, in accordance with (a) of this section, do not have to register and report as political groups, but who do make campaign contributions from their general funds to, or expenditures for or against, a candidate or political group, must file reports under AS 15.13.040(d) and (e).

(d) If, however, an organization or association not defined as a political group conducts a special fund drive among, or levies a special assessment upon, its membership, and if the proceeds of such a special fund drive or assessment are to be used primarily to influence the outcome of an election, then the organization or association which raises campaign funds in this manner must file reports of its campaign activity in accordance with AS 15.13.040(b) and (c), and is considered a group as defined in AS 15.13.130(3). (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.010
AS 15.13.030(10)
AS 15.13.040(b),(c),(d) and (e)
AS 15.13.130(3)

2 AAC 50.390. CIVIL PENALTY ASSESSMENTS FOR THE LATE FILING OF A CAMPAIGN DISCLOSURE REPORT. (a) A report required to be filed within the time required by AS 15.13.110(a) and (b) is delinquent if not received, in accordance with 2 AAC 50.310, on or before the due date.

(b) The report continues to be delinquent and subject to a civil penalty until received.

(c) Commission staff will send notice to each candidate or group of his or its delinquency under AS 15.13.110(a) within five working days after the due date of the report.

(d) Upon receipt of a delinquent campaign disclosure report, commission staff will

(1) calculate the initial civil penalty as follows:

(A) if the report is delinquent 30 days or less

(i) \$1 a day, up to a maximum of \$10, for the late filing of a report to be filed within the time required by AS 15.13.110 (a)(1) and (3); and

(ii) \$5 a day, up to a maximum of \$50, for the late filing of a report to be filed within the time required by AS 15.13.110 (a)(2) and (b);

(B) if the report is delinquent more than 30 days, then the commission will, in its discretion and on a case-by-case basis, assess a civil penalty not to exceed the total amount allowed by AS 15.13.125;

(2) send notice of the civil penalty assessed against the candidate or group within five working days after receipt of a delinquent report, or in the case of non-receipt of a report required by AS 15.13.110(b), within 15 working days after receiving the information, and include

(A) a statement of the amount of the assessment; and

(B) an affidavit appeal form.

(e) A candidate or group subject to a civil penalty assessment may

(1) submit, within 30 days after receipt of the assessment notice described in (d)(2) of this section, an affidavit stating reasons for the late filing to show why a civil penalty should not be assessed; an affidavit

(A) is a statement in writing made under oath and upon penalty of perjury; and

(B) must be sworn to before a notary public, municipal clerk, court clerk, postmaster, or another person authorized to administer oaths or, if none of the preceding alternatives is available, may be signed by the official without benefit of the oath so long

as the official states, in writing, that the affidavit is signed under penalty of perjury; or,

(2) pay, within 30 days after receipt of the assessment notice described in (d)(2) of this section, the civil penalty assessed.

(f) If a candidate or group subject to a civil penalty assessment for the late filing of a campaign disclosure report refuses, or fails, within the time required, to submit an affidavit or make payment, then commission staff will refer the matter to the attorney general for appropriate action. The commission will not hear an appeal if an affidavit is not filed within the time required.

(g) An affidavit timely filed with the commission will be considered at the next regular meeting of the commission. If a candidate or group's appeal is

(1) denied by the commission, commission staff will notify the candidate or group of its decision within 15 days, and require that the civil penalty originally assessed be paid within 30 days after the date of the letter containing notification of the commission's decision; or

(2) accepted by the commission, commission staff will notify the candidate or group of its decision within 15 days, informing him or it that the civil penalty assessment has been waived and that the matter is considered closed; or

(3) accepted, in part, by the commission, commission staff will notify the candidate or group of its decision within 15 days, and require that the reduced civil penalty assessment be paid within 30 days after the date of the letter containing notification of the commission's decision.

(h) A candidate or group may appeal the commission's decision to deny or partially accept reasons for lateness to the superior court within 30 days after his receipt of the notice under Rule 45 of the Appellate Rules of the Alaska Court System. If no appeal is made within 30 days and no payment is made, the matter will be referred to the attorney general for appropriate action.

(i) If, upon review of a report required by AS 15.13.110(a), (b), or (e), the commission's staff finds substantial or continuous noncompliance with AS 15.13 or any provision of this chapter, or with requests by staff for information required to be reported under this chapter, the matter must be brought to the commission for review. The commission will, in its discretion, reduce or waive any initial civil penalty, uphold any initial civil penalty, increase the amount of any initial civil penalty to an amount not exceeding the maximum amount established in AS 15.13.125, or instruct its staff to begin preliminary investigation in the matter. Where no initial civil penalty has been assessed, the commission will, in its discretion, assess a civil penalty up to the maximum amount established in AS 15.13.125 if the candidate or group in question does not comply. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74; am 5/24/81, Reg. 78; am 10/18/81, Reg. 80; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(6) and (10)
AS 15.13.110(a) and (b)
AS 15.13.125

2 AAC 50.395. REPORTING BY A BUSINESS ENTITY OR LABOR ORGANIZATION. (a) A business entity or labor organization making a contribution or expenditure from its general fund or treasury, for the purpose of influencing the outcome of an election, shall make a full report of its contribution and expenditure activity under AS 15.13.040(d) and (e), and in accordance with AS 15.13 and 2 AAC 50.

(b) The subscribers to a contingency fund constitute a group, as defined by AS 15.13.130(3), if a contingency fund is maintained by a business entity or labor organization, if political campaign contributions or expenditures of the business entity or labor organization are made from the fund, and if the major purpose of the fund is political. A "contingency fund" as used in this chapter, is a discretionary account established separate from the business entity's or labor organization's general treasury and variously, often voluntarily, funded. "Major purpose" means that in actual dollar amounts, more of the fund's money is devoted to contributions or expenditures to influence the outcome of an election than to any other single purpose.

(c) A group organized as in (b) of this section must register and report under AS 15.13.040(b)

and (c), and in accordance with AS 15.13 and this chapter, unless the head or principal executive officer of the business entity or labor organization certifies, under oath and upon penalty of perjury

(1) that none of its contingency fund money is used for political purposes; or

(2) that its contingency fund

(A) is funded only through a voluntary uniform assessment, or nonvoluntary but uniform assessment, upon its subscribers, and

(B) accepts no individual contributions into the contingency fund.

(d) If a contingency fund meets the requirements of (c)(1) or (2) of this section, then its political contribution or expenditure activity must be reported separately to the commission, under AS 15.13.040(d) and (e), and in accordance with AS 15.13 and 2 AAC 50.

(e) If the major purpose of the business entity or labor organization's contingency fund is not to influence the outcome of an election, under (b) of this section, but if political contributions or expenditures are made from the fund, then a full report of the contingency fund's contribution and expenditure activity must be made under AS 15.13.040(d) and (e), and in accordance with AS 15.13 and 2 AAC 50.

(f) A group organized as in (b) of this section and which reports under AS 15.13.040(b) and (c), and in accordance with AS 15.13 and 2 AAC 50, must report the name and address of each subscriber to the contingency fund, his principal occupation and employer, and the amount paid into the fund by the subscriber, if the subscriber has promised to pay, paid directly, or otherwise paid or contributed into the fund an amount exceeding \$100 in a calendar year. The name, address, occupation, and employer of a subscriber contributing in excess of \$100 as described in this subsection must be reported under AS 15.13 and 2 AAC 50.321.

(g) A business entity or labor organization shall report under (a) of this section unless it conducts a special fund drive among, or levies a special assessment upon, its employees or

members, the proceeds of which are to be used for political contributions or expenditures. If a business entity or labor organization acts as described in this subsection, then the individual contributors become members of a group, as defined by AS 15.13.130(3), and must register and report under AS 15.13.040(b) and (c), and in accordance with AS 15.13 and 2 AAC 50. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74)

Authority: AS 15.13.010

AS 15.13.030(10)

AS 15.13.040(b), (c), (d) and (e)

AS 15.13.130(3)

2 AAC 50.397. REPORTING BY PERSONS OUTSIDE THE STATE. Persons residing outside the State of Alaska are subject to the same reporting requirements, restrictions, and responsibilities under AS 15.13 as those placed upon persons residing within the state. (Eff. 4/28/79, Reg. 70)

Authority: AS 15.13.030(10)

2 AAC 50.400. DISBURSEMENT OF A SURPLUS BALANCE IN A CAMPAIGN ACCOUNT. (a) The disbursement of a surplus balance of a candidate or group's campaign account must be reported to the commission within 10 days after final disposition of the balance.

(b) A candidate disbursing the surplus balance in his campaign account may

(1) give the money to charity;

(2) repay his contributors;

(3) repay himself, if he made contributions to his own campaign;

(4) take, as income, any money which exceeds the amount which he personally contributed to his campaign;

(5) leave the money in a campaign account until the next time he campaigns for elective office; however, any interest realized from a surplus in a campaign account must remain in the account and be reported on the first report required of him when he is again a candidate for elective office;

(6) contribute the money to another candidate or a group controlled by a candidate, not to exceed the \$1,000 limitation, or to a political party or group supporting a ballot proposition or question; or

(7) transfer the money to his office allowance fund.

(c) A group disbursing the surplus balance in its campaign account may

(1) give the money to charity; or

(2) repay its contributors; or

(3) leave the money in a campaign account until the following election, if the group plans to remain active; however, any interest realized from a surplus in a campaign account must remain in the account and be reported on the first report required of the group when it is again active in an election; or

(4) contribute the money to a candidate or a group controlled by a candidate, subject to the \$1,000 limitation and other prohibitions under AS 15.13 and 2 AAC 50, or to a political party or group supporting a ballot proposition or question.

(d) Any candidate or group wishing to disburse the surplus balance in a campaign account in a manner not described in (b) or (c) of this section may request commission review and approval of the manner in which he or it wishes to disburse the surplus. (Eff. 7/22/78, Reg. 67; am 10/18/81, Reg. 80)

Authority: AS 15.13.030(10)

2 AAC 50.405. DEFINITIONS FOR 2 AAC 50.310 - 2 AAC 50.405 AND AS 15.13. In 2 AAC 50.310 - 2 AAC 50.405 and in AS 15.13

(1) "business entity" means a sole proprietorship, partnership, corporation or professional corporation, company, firm, business trust, or any other business entity or a combination of these;

(2) "draft group" means a group of two or more persons organized for the purpose of drafting one or more individuals to run for

elective office by becoming a candidate as defined in AS 15.13.130(1);

(3) "labor organization" means a local, national, or international union, or labor council, or any other labor organization recognized under state or federal law;

(4) "contribution" includes, in addition to the items listed in AS 15.13.130(2), goods or services received by a candidate or political group, or on behalf of a candidate or political group, as the result of a fund-raising activity. (Eff. 7/22/78, Reg. 67; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(10)
AS 15.13.130(1), (2) and (3)

ARTICLE 3.
CAMPAIGN DISCLOSURE AND
REGULATION OF LOBBYING
COMPLAINTS AND INVESTIGATIONS

Section

450. Complaints
460. Preliminary investigation
470. Hearings

2 AAC 50.450. COMPLAINTS. (a) A complaint filed with the commission must be in writing and must contain the following:

- (1) the full name and mailing address of the person making the complaint;
- (2) the name of the person or group alleged to be in violation;
- (3) allegations of specific facts which, if true, would constitute
 - (A) a violation of AS 15.13 or of a provision of 2 AAC 50.310 - 2 AAC 50.405; or
 - (B) a violation of AS 24.45 or of a provision of 2 AAC 50.505 - 2 AAC 50.545;
 - (C) a violation of AS 37.50 or of a provision of 2 AAC 50.010 - 2 AAC 50.200;

(4) the basis of the complainant's knowledge of the alleged facts, differentiating between statements made upon personal knowledge and

those made upon other sources of information and belief;

(5) any documentation, relevant to the facts alleged, which is available to the complainant.

(b) The complaint shall be signed by the complainant and the signature shall be verified by a notary public, municipal clerk, court clerk, postmaster, or any person authorized to administer oaths. Notarial service will be provided by the commission without cost.

(c) Upon receipt of a complaint properly filed and sworn, the commission staff shall promptly

- (1) acknowledge receipt to the complainant; and
- (2) determine whether the complaint sets out facts which, if true, would constitute a violation of law.

(d) If the staff determines that a complaint does not set out facts which, if true, would constitute a violation of the law, it shall promptly inform the complainant and close the file. Following a determination under the subsection:

- (1) the staff, upon request of the respondent, shall furnish a copy of all of the information in its file on the complaint to the respondent;
- (2) the complainant may request that the commission review the staff's determination; the review will be conducted in closed session; following the review, the commission will, by majority vote:
 - (A) uphold the staff's determination and close the matter; or
 - (B) determine that the complaint is sufficient on its face, and will be handled under (e), (1), (2), and (4) of this section.

(e) If the staff or the commission under (d)(2)(B) of this section determines that a complaint sets out facts which, if true, would constitute a violation of the law, the staff will

- (1) notify the complainant;
- (2) notify the respondent, providing a copy

of the complaint, any accompanying documents, and a copy of the commission's investigative and hearing procedures;

(3) inform the commission that a complaint has been filed, providing a copy of the complaint and any accompanying documents; and

(4) begin a preliminary investigation.

(f) A person against whom a complaint is filed may file an answer. The answer must

(1) specifically admit or deny all material allegations of the complaint;

(2) state any defenses expected to be raised by the respondee; ;

(3) include any relevant documentation in the possession of the respondent; and

(4) be a signed and sworn statement. (Eff. 5/16/76, Reg. 58; am 12/29/77, Reg. 64; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(8) AS 24.45.021(b)
AS 15.13.030(10) AS 24.45.131
AS 15.13.045 AS 39.50.050(b)
AS 15.13.120(d)

2 AAC 50.460. PRELIMINARY INVESTIGATION. (a) The commission staff shall undertake a preliminary investigation if

(1) a properly filed and sworn complaint has been found to be sufficient; or

(2) information has been obtained by the commission or staff in the normal course of business which, if true, would constitute a violation of the law.

(b) When the staff initiates an investigation based on (a)(2) of this section, it shall set out in writing the facts, information, and law involved, along with documentation, and process this material in accordance with 2 AAC 50.450(e).

(c) In conducting a preliminary investigation, the staff may use any of the methods set out in AS 15.13.045. It may also

(1) request written and sworn statements from any party, witness, or other person which

are relevant to the investigation; and

(2) use the services of the Alaska State Troopers or private investigators to secure factual information pertinent to the investigation.

(d) Upon completion of a preliminary investigation, the staff shall provide a written summary of the investigation to the commission at the next regularly scheduled meeting, or at a special meeting. The summary must include a staff recommendation for dismissal, for continued investigation, or that the matter be addressed in a hearing. Notice of the meeting and a copy of the summary must be provided to the respondent and complainant in advance of the meeting. The decision of the commission with respect to the findings of the preliminary investigation will be sent by certified mail to the complainant and respondent. (Eff. 5/16/76, Reg. 58; am 12/29/77, Reg. 64; am 6/29/84, Reg. 90)

Authority: AS 15.13.030(8) AS 18.65.090
AS 15.13.030(10) AS 24.45.021(b)
AS 15.13.045(a) AS 24.45.131
AS 15.13.120(d) AS 39.50.050(b)

2 AAC 50.470. HEARINGS. (a) If the commission decides that a hearing will be held, notice of hearing will be sent to the respondent by personal service or by certified mail, return receipt requested. If the respondent cannot be found after diligent effort, service will be made by publishing notice of the hearing in a newspaper of general circulation once a week for four weeks, the final notice appearing at least 30 days before the hearing.

(b) Notice of a hearing must be provided to all parties at least 30 days before a hearing. The time and place of the hearing will be set with due regard and consideration for the convenience of the parties, and the commission will consider a party's request for a change in the time or place of a hearing. The commission will, in its discretion, for any good cause and upon proper notice, change the time and place of a hearing.

(c) The chairman of the commission or, upon the chairman's inability to participate, the designee of the chairman, will conduct the meeting and have all the authority of a hearing

officer, with the exception of the ability to decide dispositive motions. All dispositive motions will be heard and decided by the commission.

(d) The commission staff is responsible for presenting the facts, verified by investigation, which it has determined appear to constitute a violation of the law. In the course of the hearing, the staff will be given no special consideration, but will be considered as a party to the hearing.

(e) The only parties to the hearing will be the staff, representing the complainant or itself, and the respondent.

(f) A party has the right to present evidence and be represented by an attorney. Entities may be represented by an official within the entity, an authorized agent, counsel, or a combination of these.

(g) The rules of evidence are the same as those in AS 44.62.460. In addition

(1) documentary evidence may be presented in the form of copies if the original is not readily available; upon request, the parties will be given the opportunity to compare the copy to the original;

(2) in the discretion of the chairman or the designee, nonparties may present a sworn statement; if such a statement is presented, all parties will be given an opportunity to challenge, cross-examine, or rebut;

(3) depositions or affidavits may be presented if a witness is unable to testify at a hearing.

(h) At the request of a party, the commission will, in its discretion, issue a subpoena to be served on a witness in accordance with the rules of civil procedure. A witness who is not a party and who appears under a subpoena is entitled to receive fees and mileage in the same amount and under the same circumstances as prescribed by court rule for a witness in a civil action in superior court. Fees, mileage, and expenses of subsistence must be paid by the party at whose request the witness is subpoenaed. A subpoena

may be either for testimony at a hearing or for a deposition.

(i) Depositions must be taken according to AS 44.62.440(a).

(j) Before the hearing, upon request during regular business hours, the respondent will have access to read or copy at cost any information contained in the case file held by the staff, with the exception of internal memos and documents privileged under the attorney-client privilege.

(k) At the discretion of the commission, all or part of the hearing may be conducted by telephone, audio or video teleconferencing, or other electronic means, provided the parties have an opportunity to participate in the hearing while it is taking place.

(l) The hearing will be recorded by tape recording or stenographic notes at the commission's expense. The recording will be maintained with the public file of the proceedings. The commission will not prepare a transcript unless such a requirement is imposed by law. If the hearing is open, and at the commission's discretion, any person may pay for additional recordings or for a transcript from the commission's recording. If a transcript is prepared by the commission, the respondent may have access to it for the purpose of duplication.

(m) A hearing will be open to the public except when the respondent requests a closed hearing and the commission finds that it should be closed under AS 44.62.310, or when the commission, for any good cause, determines that a closed hearing is appropriate. If the hearing is open but is conducted by telephone, audio or video teleconferencing, or other electronic means, the public notice will designate at least one public access place and whatever recording is made by the commission will be made available to the public.

(n) After the hearing, the commission will, in its discretion, go into executive session for purposes of deliberation.

(o) Upon completion of its deliberation, the commission will reconvene in open session, having provided the respondent with prior notice, if possible, and the commission chairman

or the designee will entertain one or more formal motions addressing the alleged violations. A roll call vote will be taken on each surviving motion. A commissioner who was not present at the hearing may not participate in the commission's deliberations, motions, or votes, including any reconsideration motions or votes.

(p) The commission will issue a written decision based on its findings of fact and conclusions of law. The decision will be reasonably specific so as to provide interested parties with a clear understanding of the commission's basis for its action. A copy of the decision will be served on all parties and any complainant.

(q) If the commission decides to forward a case to the attorney general's office for prosecution, the staff shall prepare and send to the attorney general's office a record comprised of

(1) a copy of the commission's hearing decision, including its findings of fact and conclusions of law;

(2) a verbatim transcript of the proceedings before the commission; and

(3) copies of all documentary evidence, memoranda, exhibits, correspondence, and other tangible evidence contained in the public file of the proceeding.

(r) The commission will, in its discretion, reconsider its decision in accordance with AS 44.62.540. A request for reconsideration must be filed within 10 days after the vote under (o) of this section has been taken, and must state specific grounds upon which reconsideration is requested. A decision will be reconsidered only if

(1) there was a substantial procedural error in the original proceeding;

(2) the commission acted without jurisdiction in the original proceeding;

(3) the original vote was based on fraud, misrepresentation, material mistake of fact or law; or

(4) new evidence has come to light.

(s) Contempt before the commission will be handled under AS 44.62.590.

(t) A commission member is disqualified from participation in a hearing if the member has a substantial financial relationship with the complainant or with the alleged violator. A commission member is disqualified from participation in a hearing if the member feels, and states on the public record, that he or she is unable to consider the complaint in an unbiased manner and reach a fair and impartial decision.

(u) A commission member has a conflict of interest if the member, a person in the member's immediate family, the member's employer, business, or business associate has a financial relationship with the complainant or the alleged violator or with an immediate family member, business, or business associate of the complainant or alleged violator. The commission member shall state publicly the nature of the conflict and a majority of the remaining members present may authorize the member to participate. Other relationships with the principals of the hearing, which may cause an appearance of impropriety or conflict, must be publicly disclosed by a member, and the member's participation is subject to approval by the majority of the remaining members present. In conflict cases, approval to participate will depend upon whether

(1) the financial relationship or interest is relatively insignificant; and

(2) the interest held by the member or the member's family, business, or business associate is similar to that possessed by a large class of persons; or

(3) the nonfinancial relationship is such that a reasonable person would believe the member capable of fair and impartial judgment. (Eff. 6/29/84, Reg. 90)

Authority: AS 15.13.030(8) AS 24.45.021(b)
AS 15.13.030(10) AS 24.45.131
AS 15.13.045 AS 39.50.050(b)
AS 15.13.120(d)

ARTICLE 4.
REGULATION OF LOBBYING

Section

- 505. Filing
- 507. Civil penalty assessments,
- 510. (Repealed)
- 511. Registering and reporting by a representational lobbyist and his employer
- 512. Filing a zero report
- 513. Agency enforcement of administrative lobbying activities
- 515. Registering and reporting by a business entity retained to lobby
- 520. Registering and reporting by the employer retaining a business entry as a lobbyist
- 525. Associations as employers of lobbyists
- 530. Reporting on the accrual basis by the lobbyist
- 535. (Repealed)
- 536. Reporting on the accrual basis by the employer of lobbyist
- 540. Reporting compensation or payments by the employer of lobbyist
- 542. Gifts and exchanges
- 545. Definitions for 2 AAC 50.505—
2 AAC 50.545

2 AAC 50.505. FILING. The timely filing for registering and reporting may be accomplished in one of two ways: either hand-carried to the commission's office on or before the due date, or placed in the mail so that it is postmarked on or before the due date. The date shown by the postmark is presumed to be the date it was deposited in the United States mail. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b) AS 24.45.061
AS 24.45.041 AS 24.45.081
AS 24.45.051

2 AAC 50.507. CIVIL PENALTY ASSESSMENTS. (a) A report required to be filed within the time required by AS 24.45.041, 24.45.051, 24.45.061, and 24.45.081 is delinquent if not received on or before the due date.

(b) The report continues to be delinquent and subject to a civil penalty until received.

(c) Commission staff will notify each lobbyist or employer of a lobbyist of his or her de-

linquency within 10 days after the due date of the report. If a report is more than 30 days delinquent, the commission will automatically assess a civil penalty of \$135 and forward the name of that lobbyist or employer of lobbyist to the attorney general for failure to comply with the reporting requirements of AS 24.45 if the report is not received within 15 days of the date of the civil penalty assessment.

(d) Upon receipt of a delinquent report, commission staff will, unless the maximum civil penalty has already been assessed as described in (c) of this section

(1) calculate the initial civil penalty, as follows:

(A) \$1 a day from the first through the 10th day of delinquency;

(B) \$5 a day from the 11th through the 25th day of delinquency; and

(C) \$10 a day from the 26th through the 30th day of delinquency;

(2) within five days after receipt of a delinquent report, send a notice of the civil penalty assessed against the lobbyist or employer of a lobbyist, and include

(A) a statement of the amount of the assessment; and

(B) an affidavit appeal form.

(e) A lobbyist or employer of a lobbyist subject to a civil penalty assessment may

(1) submit, within 30 days after receipt of the assessment notice described in (c) or (d)(2) of this section, an affidavit stating reasons for the late filing to show why a civil penalty should not be assessed; an affidavit

(A) is a statement in writing made under oath and upon penalty of perjury; and

(B) must be sworn to before a notary public, municipal clerk, court clerk, postmaster, or any other person authorized to administer oaths or, if none of the preceding alternatives is available, may be signed by the

official without benefit of the oath so long as the official states, in writing, that the affidavit is signed under penalty for perjury; or

(2) pay, within 30 days after receipt of the assessment notice described in (c) or (d)(2) of this section, the civil penalty assessed.

(f) If a lobbyist or employer of a lobbyist subject to a civil penalty assessment for the late filing of a report refuses, or fails, within the time required, to submit an affidavit or make payment, then commission staff will refer the matter to the attorney general for appropriate action. The commission will not hear an appeal if an affidavit is not filed within the time required.

(g) An affidavit filed with the commission will be considered at the next regular meeting of the commission. If a lobbyist's or employer of a lobbyist's appeal is

(1) denied by the commission, commission staff will notify the lobbyist or employer of a lobbyist of its decision within 15 days, and require that the civil penalty originally assessed be paid within 30 days after the date of the letter containing notification of the commission's decision; or

(2) accepted by the commission, commission staff will notify the lobbyist or employer of a lobbyist of its decision within 15 days, informing him or it that the civil penalty assessment has been waived and that the matter is considered closed; or

(3) accepted, in part, by the commission, commission staff will notify the lobbyist or employer of lobbyist of its decision within 15 days, and require that the reduced civil penalty assessment be paid within 30 days after the date of the letter containing notification of the commission's decision.

(h) a lobbyist or employer of a lobbyist may appeal the commission's decision to deny or partially accept his reasons for lateness to the superior court within 30 days after his receipt of the notice under Rule 45 of the Appellate Rules of the Alaska Court System. If no appeal is made within 30 days and no payment is made, the matter will be referred to the attorney general for appropriate action.

(i) If, upon review of a report or registration, the commission's staff finds substantial or continuous noncompliance with AS 24.45 or a provision of this chapter, the matter must be brought to the commission for review. The commission, will, in its discretion, reduce or waive

the initial civil penalty, uphold the initial civil penalty, increase the amount of the initial civil penalty to an amount not exceeding the maximum in AS 24.45.141, or instruct its staff to begin a preliminary investigation into the matter. (Eff. 7/22/78, Reg. 67; am 5/14/80, Reg. 74; am 5/24/81, Reg. 78)

Authority: AS 24.45.021(b)
AS 24.45.041
AS 24.45.051
AS 24.45.061
AS 24.45.081
AS 24.45.131(a)(1)
AS 24.45.141

2 AAC 50.510. PERSONS EXEMPT FROM REGISTERING AND REPORTING AS A LOBBYIST. Repealed 4/28/79.

2 AAC 50.511. REGISTERING AND REPORTING BY A REPRESENTATIONAL LOBBYIST AND HIS EMPLOYER. (a) An individual who attempts to influence legislative or administrative action, and receives only reimbursement for his travel and personal living expenses, is considered a representational lobbyist. "Representational lobbyist" means that the individual is not employed by the person or group on whose behalf he is lobbying and receives no salary, fee, retainer, or any economic consideration whatsoever, other than reimbursement of travel and personal living expenses, for his services as a lobbyist. A representational lobbyist need not submit reports pursuant to AS 24.45.051, but must register his representation on a form prescribed by the commission. "Personal living expenses" is considered to be an amount equal to the per diem currently allowed by the Administrative Manual of the State of Alaska. "Travel" means the cost of traveling to the capital city or the location of official proceedings of standing, interim, or special legislative or administrative committees or agencies.

(b) The person or group which reimburses a representational lobbyist for his expenses must register and report as the employer of a lobbyist in accordance with the requirements of AS 24.45.061 and 2 AAC 50. (Eff. 4/28/79, Reg. 70)

Authority: AS 15.13.030(10) AS 24.45.061
AS 24.45.021(b) AS 24.45.171(8)
AS 24.45.031(a)(1)

2 AAC 50.512. FILING A ZERO REPORT. Each lobbyist or employer of a lobbyist required to file a report of his or her activities in accordance with AS 24.45 and this chapter shall report in accordance with the reporting periods set forth in AS 24.45.081, regardless of the amount of the expenditures made or payments received, for so long as the lobbyist or the employer of a lobbyist remains registered. In the absence of any reportable lobbying activity during a reporting period, a lobbyist or the employer of a lobbyist shall certify that no expenditures were made or payments received by submitting a zero report for that period. (Eff. 4/28/79, Reg. 70)

Authority: AS 15.13.030(10) AS 24.45.061
AS 24.45.021(b) AS 24.45.081
AS 24.45.051

2 AAC 50.513. AGENCY ENFORCEMENT OF ADMINISTRATIVE LOBBYING ACTIVITIES. For the purpose of enforcing AS 24.45.171(1) and 2 AAC 50, reportable administrative lobbying does not include those attempts to influence

(1) a proceeding or action to determine the rights or duties of a person under existing laws, regulations, or policies;

(2) a proceeding involving the issuance, amendment, or revocation of a permit, license, or entitlement for use;

(3) a proceeding or action to enforce compliance with existing law or to impose sanctions for violations of existing law;

(4) a proceeding at which an action is taken involving the purchase or sale of property, goods, or services by the agency;

(5) a proceeding at which an action is taken awarding a grant or contract;

(6) a proceeding or action involving the issuance of, or ensuring compliance with, a legal opinion; and

(7) a proceeding or action to establish or enforce the terms and conditions of a collective

bargaining agreement. (Eff. 4/28/79, Reg. 70; am 5/14/80, Reg. 74)

Authority: AS 15.13.030(10)
AS 24.45.021(b)
AS 24.45.171(1)

2 AAC 50.515. REGISTERING AND REPORTING BY A BUSINESS ENTITY RETAINED TO LOBBY. (a) A firm, corporation, or other business entity which is retained for the purpose of influencing legislative or administrative action shall register as required by AS 24.45.041, on a form prescribed by the commission, stating the name of the business entity and, in addition, the names of any members, employees, or agents of the business entity who will be assigned to lobby by the business entity on behalf of the employer.

(b) A business entity as described in (a) of this section shall report on a form prescribed by the commission and need only report in the aggregate the information required by AS 24.45.051 for all members, employees, or agents assigned to lobby by the business entity on behalf of the employer. The individual members, employees, or agents of the business entity who have been assigned to lobby need not file separate reports with the commission. However, individual records must be maintained for each member, employee or agent assigned to lobby by the business entity and must be available to the commission upon request. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b)
AS 24.45.041
AS 24.45.051

2 AAC 50.520. REGISTERING AND REPORTING BY THE EMPLOYER RETAINING A BUSINESS ENTITY AS A LOBBYIST. (a) Any person retaining a firm, corporation, or other business entity as a lobbyist for the purpose of influencing legislative or administrative action shall file a statement as required by AS 24.45.061(a), on a form prescribed by the commission, stating the name of the business entity retained to lobby and, in addition, the names of those members, employees, or agents of the business entity who will be assigned to lobby on behalf of the employer.

(b) An employer of a lobbyist as described in (a) of this section shall report on a form prescribed by the commission the information required by AS 24.45.061(b). The employer need file only one report covering all lobbying activities for the business entity retained and need not file a separate report for each of the members, employees, or agents assigned to lobby by the business entity on behalf of the employer. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b)
AS 24.45.061

2 AAC 50.525. ASSOCIATIONS AS EMPLOYERS OF LOBBYISTS. (a) When a lobbyist is employed by a bona fide association, including any bona fide business, trade union, or membership organization, association or society, that association is an employer of lobbyist. The members of the association are not employers of that lobbyist under AS 24.45.061(a) merely because of that membership and the names of the members need not be reported.

(b) Dues or similar payments made by any person for membership in a bona fide association, including any bona fide business, trade union, or membership organization, association or society, some portion of which is used to influence legislative or administrative action, need not be included for the purpose of determining whether a person must file reports pursuant to AS 24.45.061(b).

(c) For purposes of (a) and (b) of this section, "bona fide association," including any bona fide business, trade union, or membership organization, association or society, means

(1) an association certified by an officer of the association as having legal status as a corporation or partnership;

(2) an association certified by an officer of the association as operating on the dues of its members, with no one member paying in excess of 25 percent of the total paid by all members;

(3) an association certified by an officer of the association as operating on the dues of its members, having a sliding dues-assessment scale under which no member exceeds an allotted assessment by 25 percent solely for the purpose of supporting lobbying activities, unless

that member's name is reported to the commission; or

(4) an association certified by an officer of the association as having annual expenditures for administrative and legislative lobbying, as based on the previous year's experience or current year's estimate, which do not equal or exceed 50 percent of its total expenditures for the year.

(d) The commission will in its discretion determine, on a case-by-case basis, the reporting requirements and procedures pursuant to AS 24.45 for those associations not qualifying for the exemptions under (a) and (b) of this section. (Eff. 12/29/77, Reg. 64; am 10/18/81, Reg. 80)

Authority: AS 24.45.021(b) AS 24.45.071
AS 24.45.061 AS 24.45.131

2 AAC 50.530. REPORTING ON THE ACCRUAL BASIS BY THE LOBBYIST. For the purposes of filing reports required by AS 24.45.051, the lobbyist shall report all costs incurred and income earned during the reporting period, whether or not actual cash payments and receipts have been made or received. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b)
AS 24.45.051

2 AAC 50.535. REPORTING ON A CASH BASIS BY THE EMPLOYER OF LOBBYIST. Repealed 2/22/79.

2 AAC 50.536. REPORTING ON THE ACCRUAL BASIS BY THE EMPLOYER OF LOBBYIST. For the purpose of filing reports as required by AS 24.45.061(b), the employer shall report the date and amount of all payments made, or costs incurred, for the purpose of influencing legislative or administrative action during a reporting period. When reporting food and beverage on the accrual basis, it is not necessary to list the date and amount of each item charged to the employer. In such instances, the amount of payments made or incurred by the employer to each vendor during the reporting period must be listed in the aggregate. (Eff. 2/22/79, Reg. 69)

Authority: AS 15.13.030(10)
AS 24.45.021(b)
AS 24.45.061(b)
AS 24.45.171(9)

2 AAC 50.540. REPORTING COMPENSATION OR PAYMENTS BY THE EMPLOYER OF LOBBYIST. When reporting compensation to a lobbyist or payment to an employee, as required by AS 24.45.171(10)(A), (B), (D) and (E), the amount shown must include the gross wages paid or payable, and prorated as applicable, plus any benefits which are in place of wages, such as stock options or the purchase of annuities. Routine fringe benefits such as the employer's contribution to health plans, retirement plans, etc., which are made on behalf of all employees and the payment of employer's payroll taxes, are not payments to influence legislative or administrative action and are not reportable. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b)
AS 24.45.061(b)(3) and (6)
AS 24.45.171(10)(A),(B),(D)
and (E)

2 AAC 50.542. GIFTS AND EXCHANGES. "Gifts" and "exchanges," as used in AS 24.45.051(3) and (4), and for the purposes of AS 24.45 and 2 AAC 50, are not reportable by the lobbyist under AS 24.45.051 if the gift or exchange of an item of value is between members of the immediate family of the lobbyist. (Eff. 7/22/78, Reg. 67)

Authority: AS 24.45.021(b)

2 AAC 50.545. DEFINITIONS FOR 2 AAC 50.505 - 2 AAC 50.545. (a) In 2 AAC 50.505 - 2 AAC 50.545

(1) "person," in addition to the terms set out in AS 01.10.060(7), includes a labor union;

(2) "public official" means a public official as defined in AS 39.50.200(1); however, it does not include a judicial officer or an elected or appointed municipal officer.

(b) "Administrative action," as defined in AS 24.45.171(1), does not include normal inquiries of administrative agencies, or routine actions made necessary by law, or the actions of a person who limits his lobbying activities to appearances before any public proceeding of a regulatory or administrative agency which conducts proceedings in open public hearing for which public notice is given and which creates a record of all proceedings and provides access to the public records or transcripts and to all

material which is submitted as part of the record.

(c) "Communicate directly," as used in AS 24.45.171(8)(A), means to talk, either in person or by telephone, with any public official or legislative employee; it does not include time spent in the research, drafting, preparation, or adaptation of documents for use by the lobbyist.

(d) "Legislative action," as defined in AS 24.45.171(7), includes the actions of an "employee of the legislature acting in his official capacity," and any attempt to influence legislative action includes not only the elected official, but an employee of the legislature as well; money and time spent on lobbying activities involving a legislative employee is reportable by the lobbyist as required by AS 24.45.051 and the employer of a lobbyist as required by AS 24.45.061(b) and by this chapter. "Legislative employee" means any employee of the legislature acting in his "official capacity," as that term is used in AS 24.45.171(7).

(e) "Payments in support of or assistance to a lobbyist or his activities," as used in AS 24.45.171(10)(B), includes direct costs and expenses incurred by the employer in the current research, drafting, preparation and adaptation of documents for use by the lobbyist for the purpose of influencing legislative or administrative action.

(f) "Substantial or regular," as used in AS 24.45.171(8)(A), means that a person who is not employed specifically for the purpose of influencing legislative or administrative action, or a person whose contractual services are not specifically for the purpose of influencing legislative or administrative action, is considered to be a lobbyist if, within a 30-day period, he spends in excess of four hours in direct communication with a public official or legislative employee in activities directed toward

influencing legislative or administrative action as defined in AS 24.45.171(1), (6), (7) and this chapter; when a person becomes a lobbyist upon meeting the tests of this section, he must register in accordance with AS 24.45.041 and must report in accordance with AS 24.45.051 and 2 AAC 50. (Eff. 12/29/77, Reg. 64)

Authority: AS 24.45.021(b)
AS 24.45.041
AS 24.45.051
AS 24.45.061(b)
AS 24.45.171(1),(6),(7),(8)(A),
(10)(B),(11) and (12)

ARTICLE 5. GENERAL PROVISIONS

Section

910. Availability of reports filed with the commission
920. Definitions

2 AAC 50.910. AVAILABILITY OF REPORTS FILED WITH THE COMMISSION.

Copies of any report required to be filed with the commission may be obtained at cost. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.030(10) AS 39.50.020(b)
AS 15.13.040(f) AS 39.50.050(c)
AS 15.13.110(c)

2 AAC 50.920. DEFINITIONS. In this chapter, "commission" means the Alaska Public Offices Commission. (Eff. 5/16/76, Reg. 58)

Authority: AS 15.13.020(a)
AS 15.13.030(10)

CHAPTER 55. PUBLIC BROADCASTING COMMISSION

Editor's Note: In light of the Executive Order No. 50 (1981) relocation of the Alaska Public Broadcasting Commission from the Department of Education to the Department of Administration, the commission's regulations have been relocated from 4 AAC 63 to 2 AAC 55, as of Register 84 (January 1983). The history notes under each section in the new location carry forward the history from the old location.

Section

10. Commission goals
20. Financial support
30. Qualified corporations
40. Requirements of qualified corporations
50. Noncompliance
60. Requirements for institutional licensees to receive financial support
70. Commission designee
80. Definitions

2 AAC 55.010. COMMISSION GOALS. The goals of the commission are to

(1) assist in the establishment and support of public broadcasting facilities in the state in order to provide the people of Alaska with the opportunity to

(A) make informed decisions as participants in local, state, and national governments;

(B) understand complex issues in both the private and public sectors;

(C) further their general education, welfare, health, safety, cultural enrichment, and entertainment;

(D) understand in detail the problems, needs, and strengths of their local communities and encourage them to participate in solving those problems, meeting those needs, and celebrating those strengths; and

(E) have access to public broadcast media.

(2) provide Alaskans with the goals and objectives of public broadcasting as defined in the Public Broadcasting Act of 1967 (47 USC § 396) and the Carnegie Commission Report. (Eff.

9/1/73, Reg. 47; am 6/24/79, Reg. 70; am 7/10/83, Reg. 87)

Authority: AS 44.21.264
AS 44.21.266
AS 44.21.268

2 AAC 55.020. FINANCIAL SUPPORT. The commission will, in its discretion, make grants of funds and property to nonprofit corporations which use the funds or property to establish and operate public broadcasting stations in accordance with the provisions of this chapter, and with the understanding that all property purchased with commission-granted money reverts to the commission if the nonprofit corporation is dissolved, or if the broadcast facility declares a surplus. (Eff. 9/1/73, Reg. 47; am 6/24/79, Reg. 70)

Authority: AS 44.21.264
AS 44.21.266

2 AAC 55.030. QUALIFIED CORPORATIONS. A corporation is qualified to receive funds and properties from the commission and to establish and operate public broadcasting facilities in this state if

(1) the corporation is organized as a nonprofit organization under AS 10.20 and is qualified as tax exempt by the United States Internal Revenue Service; and

(2) the corporation's articles of incorporation provide for

(A) a board of directors consisting of a minimum of five members representative of the geographic area and population served by the facility;

(B) a plan for rotation of membership on the board of directors among the people served by the facility;

(C) an agent of the commission to be a nonvoting, ex-officio member of the board of directors;

(D) all meetings of the board of directors to be open to the public;

(E) the giving of reasonable notice to the public of board of directors meetings;

(F) board of directors meetings to be held at least quarterly on a specified day of specified months;

(G) a prohibition against the use of proxies at board of directors meetings, however proxies may be used to establish a quorum at membership meetings of the corporation;

(H) any action taken at a board of directors meeting which is not a public meeting to be void;

(I) all meetings to be consistent with the provisions of AS 44.62.310 and 44.62.312 regarding public meetings, as if the qualified corporation were a governmental entity subject to AS 44.62.310 and 44.62.312; and

(J) a prohibition against allowing any employee of the corporation to be a board member. (Eff. 9/1/73, Reg. 47; am 6/24/79, Reg. 70; am 7/10/83, Reg. 87)

Authority: AS 44.21.264
AS 44.21.266
AS 44.21.268

2 AAC 55.040. REQUIREMENTS OF QUALIFIED CORPORATIONS. If a corporation qualifies under 2 AAC 55.030, it shall then

(1) provide the commission, for its review and comment,

(A) a statement of objectives responsive to the needs of the area served by the facility;

(B) a schedule of proposed programs that would meet identified objectives as described in (A) of this paragraph;

(C) proposed position descriptions, staff chart, personnel policies, and salary schedules; and

(D) a proposed budget showing all anticipated sources of income and objects of expenditures;

(2) agree to

(A) submit to the executive director of the commission, for review and comment, the

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



October 9, 1984

To: Senate State Affairs Committee
From: Senate State Affairs Committee Staff

Re: Political Parties, Loans, and Campaign Contribution Credits

This memo reviews three issues that the committee requested more information on at the September 4th meeting in Anchorage. Alaska Public Offices Commission (APOC) reports provided the information presented in the first two parts of the memo on Political Party Involvement in Campaign Financing, and Loans. APOC documents and a memo from Representative Terry Martin are the information sources for part three, Political Campaign Contribution Credits. An APOC chart of political campaign contribution credits and excerpts of Representative Martin's memo have been attached.

POLITICAL PARTY INVOLVEMENT IN CAMPAIGN FINANCING

Contributions to parties. Since the 1982 elections, there have been 4 contributions over \$5,000 to political parties in Alaska (other than contributions from one arm of a party to another): two of these contributions were from national parties to the state affiliate; one was from an Alaska corporation to a state party and one was from a resident of another state to a state party. Committee staff found no evidence that contributors gave money to one branch of a party intending that those funds be directed to another branch, and thus, perhaps to a particular candidate.

Contributions from parties to candidates. There was some concern that parties or committees of parties might be used as conduits for campaign contributions of over \$1,000--that an individual might contribute \$5,000 to a district committee of a party, and the committee in turn might contribute those funds to a particular candidate. Based on 1982 figures, we found no evidence of such a scheme. Most party organizations tended to give equal or proportional contributions to candidates, for instance, \$250 to all incumbents and \$500 to all challengers.

Since 1982, one committee has given varying contributions to its candidates, but these contributions appeared to be based on a formula and the range of contributions was not significant.

In kind contributions. Perhaps the most likely avenue for inappropriate campaign contributions might be through in kind

2/ STAFF MEMO ON PARTIES, LOANS, CAMPAIGN CONT. CREDITS

contributions made by an individual to a party, with the intent that the benefit of that contribution go to a particular candidate. In kind contributions are often difficult if not impossible to quantify and the value TO THE CANDIDATE rather than from the contributor might be substantially different. For instance, a donor might contribute a phone bank to a party, which is utilized primarily by one candidate, who happens to have substantial numbers of volunteers. What is the value of the bank?

CONTRIBUTIONS IN THE NAME OF ANOTHER ARE NOW PROHIBITED BY LAW. IF A DONOR WERE TO "FUNNEL" \$50 THROUGH A PARTY TO A PARTICULAR CANDIDATE, HE/SHE WOULD BE IN VIOLATION OF THE LAW, EVEN THOUGH THE CONTRIBUTION WAS SUBSTANTIALLY LESS THAN THE \$1,000 LIMIT.

LOANS

The APOC has considered the issue of loans to candidates on two occasions. At the present time, the Commission has not agreed on a loan policy. The issue has been on the Commission's agenda for several meetings, and is expected to be taken up soon.

A candidate is free to go to a bank and take out a personal loan, which he/she may use to finance a political campaign. The candidate is personally accountable to the bank for the principal and interest. In such a case, the candidate need not disclose the loan to the APOC.

In one case examined by the APOC, a candidate borrowed funds from an individual, secured the loan with his house, signed a repayment schedule and paid a prevailing rate of interest. The loan was outstanding at the time of the election and was not disclosed to the APOC. The loan was repaid at a later date. The Commission declined to pursue the matter, although it did decide that its inaction on this particular case was not to be viewed as precedent.

In the other instance, a candidate received an interest-free loan from a relative with no repayment schedule before the end of a campaign. The loan was reported to the APOC. After investigation, the APOC decided that the candidate knowingly received a contribution (the loan) in excess of \$1,000, and that the contribution was intended to influence the campaign. The candidate has agreed to sign a consent agreement and repay the contribution, less the \$1,000 which is legal as a direct contribution, by 1987.

It is important to note that both arrangements would not have come to light had not the candidate himself or herself reported the loan to the APOC.

POLITICAL CAMPAIGN CONTRIBUTION CREDITS

Alaskans are taking advantage of the political campaign contribution credits (PCCCs) in increasing numbers (see Table 1). Representative Terry Martin conducted an analysis of PCCC recipients in August of this year, based on PCCC claims for 1982 which were received by the Dept. of Revenue through January of 1984 (note that 1982 claims can be filed until 1986). Representative Martin's analysis is attached.

Representative Martin estimates that 10-15% of PCCC claims through January, 1984 are not included in his lists, because small claims were too cumbersome to include in the summary. Moreover, individuals often file claims with candidate's names misspelled, further complicating the categorizing process.

Excluding an intentional overlap in Rep. Martin's figures, total PCCC CLAIMS for 1982 were \$1,244,006. According to the Dept. of Revenue, through the end of January, \$249,013 in claims had actually been PAID OUT.

Given the assumptions and reporting limits established by Rep. Martin, 65% of the PCCCs listed went to individual candidates receiving more than \$2,500; 28% went to PACs with contributions of over \$2,500; 2% went to unions and 5% went to "questionable" groups or individuals. Most of this final category went to national parties (\$725 to organizations with "democratic" in the name and \$47,612 with "republican" in the name).

The Dept. of Revenue has decided not to release any additional PCC computer lists since the one published in February, 1984.

TABLE 1.

TABLE TEN (T - 10)

Political Campaign Contribution Credits
(1974 - 1982)

YEAR (in which the credited contribution was made)	# OF RETURNS CLAIMING A PCC (filed during the succeeding calen- dar year)	NUMBER OF INDIVIDUALS	MAXIMUM ALLOWABLE CREDIT	TOTAL CREDITS ALLOWED
1974	3,052	4,000 (est.)(1)	\$ 50.00	184,034
1975	1,691	2,200 (est.)(1)	\$ 50.00	99,804
1976	3,841	2,400 (est.)(1)	\$ 50.00	246,831
1977	3,693	5,463	\$ 50.00	230,046
1978	7,557	12,271	\$ 50.00	520,458
1979	6,928	6,928(2)	\$ 50.00	308,082
1980	15,541	15,541(2)	\$ 50.00	694,186
1981	9,383	9,383(2)	\$100.00	799,456
1982	18,766 (est.)(3)	18,766 (est.)(2)	\$100.00	1,598,912(est)(3)
<hr/>				
Totals 1974 - 1982	70,452(4)	76,952(4)		4,681,809(4)

1. Summaries of 1974-1976 data did not count individual contributors or joint returns. The estimate is based on summaries of 1977 & 1978 data, when individuals were counted.
2. The PCC format was changed for 1979 so that only one person filed per form.
3. This estimate is based upon information from the Dept. of Revenue indicating that claims filed as of 6/01/83 for 1982 are running ahead of 1981's totals by a 2 to 1 margin.
4. These totals include the above estimates.

SOURCE: APOC, Annual Report, 1981/82 with Supplemental Tables.

Alaska State Legislature

REPRESENTATIVE
TERRY MARTIN

OFFICE
CHAIRMAN - ENERGY AND COMMERCE COMMITTEE
PHONE 465 3573



3760 REKA DRIVE—26
ANCHORAGE AK 99504
PHONE 333 6490

—
DURING LEGISLATURE
POUCH
STATE CAPITOL
JUNEAU AK 99811
PHONE 465 3754

1982 POLITICAL CONTRIBUTION REFUND CLAIMS

Political Contribution Claims
 Individuals With More Than \$ 2500
CONTRIBUTIONS

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
669	Goll, Peter	2,530.00
710	Mystrom, Rick	2,550.00
299	Gilman, Don	2,640.00
431	Duncan, Jim	2,648.00
664	Tischer, Mae	2,705.00
369	Benshoof, Geraldine	2,797.00
421	Garrigues, James	2,850.00
859	Knowles, Tony	2,870.00
706	Metcalf, Ray	2,925.00
423	Angvik, Jane	2,965.00
459	Lindauer, John	3,024.00
452	Dapcevich, John	3,050.00
450	Carlson, John	3,149.00
463	Sackett, J	3,150.00
512	Gorsuch	3,183.00
882	Collins, Virginia	3,210.00
81	Adams, Al	3,350.00
306	Schmedlen, Doug	3,406.00
787	Sandvick, E	3,431.00
236	Schultz, D	3,435.00
622	Woods, Noel	3,466.00
490	Fanning, K	3,493.00
890	Furnace, W	3,506.00
620	Koponen, N	3,524.00
654	Carney, Pat	3,726.00
828	Janson, Sue	3,793.00
759	Bettisworth R	3,855.00
297	Clocksinn, Don	3,929.00
350	Murkowski, F	4,025.00
883	Dal Piaz, V	4,128.00
880	Fischer, V	4,330.00
672	Smith, Phillip	4,711.00
557	Holloway, M	4,715.00
119	Sturgulewski	4,755.00
507	Albertson, Lamont	4,832.00
429	Ayers, Jim	4,862.00
140	Fahrenkamp, B	4,987.00
563	Szymanski, M	5,040.00
462	Ringstad, John	5,151.00
541	Carpenter, M	5,236.00
845	Buchholdt, Thelma	5,298.00
641	Freeman, O	5,551.00
670	Pettyjohn, F	5,660.00
186	Bussell, C	6,060.00
712	Malone, Hugh	6,060.00

Information By:
 Rep. Terry Martin
 8/84

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
911	Brown, Fred	6,417.00
468	Faiks, J	6,781.00
552	Sikorski, M	6,910.00
296	Bennett, Don	7,358.00
192	O'Connell, C	7,432.00
444	Hayes, Joe	7,787.00
773	Rose, Dave	8,175.00
386	Boucher, Red	8,485.00
142	Allen, Bill	9,809.00
536	Colletta, M	9,865.00
143	Hudson, Bill	13,575.00
302	Young, Don	14,235.00
539	Roberts, Malcolm	22,440.00
230	Cowper	29,963.00
746	Randolph, D	33,162.00
831	Miller, Terry	78,177.00
004	Sheffield/McAlpine	175,157.00
008	Fink/Colletta	189,396.00

TOTAL CONTRIBUTIONS: \$809,685.00

Information By:
Rep. Terry Martin
8/84

Political Contribution Claims
Groups With More Than \$2500

CONTRIBUTIONS

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
901	Womens Political Caucus	2,515.00
649	PACE NEA PAC	2,892.00
910	AGC PAC	3,050.00
627	National Rifle Assoc	3,566.00
88	Alive Teamsters	3,992.00
683	Pol Action Comm	4,389.00
346	Fish PAC	4,775.00
22	Builders PAC	4,932.00
189	Choice for Alaskans	5,238.00
005	Democrats	7,191.00
234	Positive Action, Citizens for	6,363.00
49	Laborers Political Education Committee	8,902.00
320	Employees Political Inf Comm	9,671.00
617	NEA Ak Pace	11,519.00
39	Environmental Committee	19,878.00
007	Libertarians	22,820.00
694	Personal Liberties Comm	25,685.00
174	Capital Access Committee	35,591.00
396	Equal Hunting and Fishing	38,527.00
843	Alaska Committee	57,144.00
003	Republicans	63,516.00

TOTAL CONTRIBUTIONS: \$342,851.00

Information By:
Rep. Terry Martin
8/84

UNIONS

CONTRIBUTIONS

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
17	AFGE PAC	365.00
18	AFL-CIO COPE	1,945.00
49	Laborers Political Education Committee	8,902.00
59	Public Employees Assn	300.00
67	Laboters	100.00
88	Alive Teamsters	3,992.00
93	Postal Workers Union	12.00
95	Union Control	25.00
112	APEA	430.00
168	C O R E	100.00
397	IBEW Vol Pol Fund	34.00
407	Intl Union	10.00
410	IUOE Local 302	50.00
466	Journeymer	100.00
471	Central Labor, Juneau	100.00
475	Labor Couns, Juneau	50.00
523	Local 302 PAC	134.00
524	Local 341 Education	100.00
525	Local 375	300.00
526	Local 71 PAC	33.00
527	Local United Assoc	100.00
531	LUPAC	100.00
576	Master Pltes and Plkts	100.00
636	Operations Pol	36.00
637	Opty Eng 302 Fbks	50.00
677	Pol and Education Comm	200.00
678	Pol Arm	110.00
679	Pol Education Comm	300.00
683	Pol Action Comm	4,389.00
836	Teamsters	225.00
864	Plumbers and Pipefitters	346.00
865	Oper Engineers, Union of	100.00
867	Union PAC Local 302	100.00
868	Union Pol Awareness	100.00
TOTAL CONTRIBUTIONS:		\$23,338.00

Information By:
 Rep. Terry Martin
 8/84

Education PACs

CONTRIBUTIONS

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
15	AEA Pace	775.00
84	Education (AK)	100.00
104	Education Association Pace Anchorage	5.00
313	Education Comm	105.00
332	Education Assoc PAC, Fbks	390.00
337	FEA PACE	1,748.00
424	JEA PACE	103.00
473	Education Assoc, Juneau Pace	25.00
480	Education, PACE Juneau	50.00
486	KBEA PACE	275.00
500	Education Assoc, Kodiak Bor	400.00
592	Education Assoc, National	100.00
595	Education Assoc, National	300.00
598	Education Assoc, National	200.00
617	NEA Ak Pace	11,519.00
644	PAC	100.00
645	PACE	100.00
646	PAC fnd	200.00
649	PACE NEA PAC	2,892.00
878	VEA PACE	50.00

TOTAL CONTRIBUTIONS: \$19,437.00

Information By:
Rep. Terry Martin
8/84

Questionable Donations

CONTRIBUTIONS

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
25	Cabaret Hotels	200.00
37	Alaska Credit Union	370.00
44	Fur Trappers	20.00
50	Legis (Ak)	100.00
71	Real Estate	20.00
86	Alcohol and Drug Abuse	150.00
90	Cranston, Allen	250.00
92	Alyeska Airways	45.00
100	American Security	35.00
118	Arts for Anchorage	10.00
123	Audobon Society	50.00
155	Bond Issue	55.00
170	Campaigner Pub	750.00
172	Candidates Raffle	250.00
188	Cheverne ARFA Combin	100.00
213	Combined Fed Campaign	414.00
227	Conserv Caucus	365.00
253	Democratic Congressional Campaign	75.00
254	Democratic congressional Campaign	25.00
259	Demo Natl Comm	95.00
263	Democratic Congress Camp	100.00
265	Democratic National comm	125.00
266	Democratic National Party	25.00
270	Democratic Congress	30.00
308	E Systems Citizens	50.00
315	Roosevelt, Eleanor	125.00
330	Farthest North Club	60.00
340	Federal Campaign	48.00
357	Fusion Energy Found	350.00
363	Bush, George	50.00
373	Rep Victory Fund	4,528.00
380	Gun owners of Am	130.00
384	Handgun Control	45.00
401	Inaugural Ball	490.00
403	Institute for Leg Action	150.00
408	Isaac Walton	200.00
428	Helms, Jesse	25.00
487	KCHS Auditorium	10.00
502	Kodiak Times	72.00
503	KOTV	156.00
506	L-P Corp	20.00
513	Legislative Comm	35.00
546	Natl Tax Limitation	30.00
553	Metzenbaum	25.00
570	INPL	200.00
574	Udall, Morris	178.00
579	North Pole H-S Fund	50.00

Information By:
Rep. Terry Martin
8/84

Questionable Donations

<u>Record ID</u>	<u>Name</u>	<u>Amount (\$)</u>
591	Congress Club, National	540.00
592	Education Assoc, National	100.00
595	Education Assoc, National	300.00
596	Conservative Comm, Nat	205.00
597	Dem, National	250.00
598	Education Assoc, National	200.00
604	Rep Fund, National	890.00
609	Rep Cong Comm, National	2,652.00
613	National Unity Comm	50.00
614	NCPAC Heritage Found	50.00
625	NOW ERA PAC	1,040.00
626	NR Congressional	20.00
627	National Rifle Assoc	3,566.00
629	NRCC	295.00
630	National Comm Effective Cong	105.00
632	Organization of Women, National	305.00
638	Oral Max Fac Surg	45.00
640	Hatch, Orrin	60.00
652	Political Action Fund	253.00
681	Pol Victory Fund	125.00
684	Political Liberties	100.00
685	Politician Caucus	100.00
718	Rep Natl Comm	14,357.00
728	Rep Natl Task Force	320.00
731	Rep Pres Task Force	3,110.00
732	Rep Sustaining Fund	763.00
793	Sea Turtle Rescue FN	57.00
810	Sperard Lions Club	50.00
816	Employer Rights	25.00
817	State Senate	200.00
833	Task Force	240.00
844	Cornally Comm	25.00
870	Rep	18,186.00
871	US Defence Comm	130.00
884	Voice of the People	100.00
885	Vol Pol Fund	580.00
893	Wilderness Society	50.00
898	Wilson for Utah	50.00
907	World Affair Council	120.00
913	Rep Comm, National	2,806.00
TOTAL CONTRIBUTIONS:		\$63,106.00

Information By:
Rep. Terry Martin

8/84

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



MEMORANDUM

To: Senate State Affairs Committee Staff
Committee Counsel

From: Vic Fischer, Chairman

Re: Campaign Financing

Date: September 10, 1984

Preliminary staff research outlined trends in political campaign expenditures and fund raising, examined some of the implications of escalating costs and campaign contributions, and reviewed some of the options available.

At this stage, these papers are to be further refined and prepared for public dissemination. In addition, staff will look at other measures that might be suggested for legislative action, using, as suggested at Tuesday's committee meeting, past legislation considered by the Senate. Staff will continue work on political contribution credits and, as suggested at the meeting, will look at the funding of campaigns through political parties.

Legal counsel is being engaged to assist the committee in preparing for hearings currently scheduled for mid-October. In particular, counsel will investigate the conduct of fund raising associated with the Governor's birthday party in Juneau and with the recent VECO activities. As appropriate, we may wish to look at the McAlpine fundraising and other events and practices that may illustrate the issues we are pursuing. In general, the purpose is to help determine what the legislature should consider to assure that political campaigns are financed and pursued in a manner consonant with the public interest.

I trust everyone will keep level-headed about all this, ignoring any pressures from the Governor's people or harrangues in Anchorage Times editorials. I truly believe the results -- both in terms of our conduct and the substance of our work -- will speak for themselves.

As we continue this effort, it is important to remember that we are not out to persecute or prosecute either the Governor or VECO or anyone else. It's up to others to determine what is legal and what is not, taking whatever actions they may deem appropriate.

Ours is strictly a legislative committee investigation into a major public policy issue. The goal is to thoroughly understand what is going on and to make appropriate legislative recommendations.

The Governor's, VECO's, and others' practices will simply provide us with some real life examples of what's going on, or as some have put it -- we will be looking at some of the symptoms of the disease (horrendously escalating campaign costs) that we are concerned about.

Hearings are currently scheduled October 9-10 in Juneau and October 16-18 in Anchorage. This schedule is tentative. If counsel investigations, further staff work, or other factors require rescheduling or canceling the hearings, that can be done. (The contract for attorney services is for work up to hearings, in part to make sure that there is a checkpoint before momentum carries the committee into public hearings.)

In the case of both the Governor's and VECO's fund raising activities, we (including counsel) will want to look at some of the following items and questions:

- who organized the effort? how was it conducted? what was its purpose? any precedents? who managed it? who handled the money? how was it accounted for and disbursed? by whom and to whom? in exchange for what commitments? etc?
- how coercive/voluntary were solicitations, contributions? (answers will depend not on pious public statements, ads or press conferences, but will be based on thorough investigation)
- to what extent (in case of the state) were solicitations conducted during working hours? on public property?
- what are the broader implications, what lessons for public policy?
- how did APOC handle these cases?
- etc.

I am not familiar with pertinent questions about McAlpine fundraiser, but as we've previously discussed, it needs to be looked into to determine what implications it may have for policy and legislative changes.

I will be back September 30, but probably won't be functioning till October 1st or 2nd. Ginger Baim will know how to contact me in the meantime, though that probably won't be easy.

While I'm gone, Suzanne Tryck will coordinate State Affairs Committee activities pertaining to the fund raising project. Elizabeth Hickerson will provide liason with contract counsel. Steve Kadish will be in charge of research activities, reports, public dissemination of data, and the like.

Feel free to consult directly with any committee members while I'm away.

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



August 31, 1984

To: All Members of Alaska State Senate

From: Senator Vic Fischer, Chair
Senate State Affairs Committee

Re: State Affairs Committee Meeting, Sept. 4, 1984

This is to confirm that the Senate State Affairs committee meeting on campaign financing will be 1:30 p.m. on September 4th at the second floor committee room of the Anchorage legislative information office.

You will receive back-up information for the meeting prior to that time.

Initial committee hearings on campaign financing are tentatively scheduled for Juneau on October 9th and 10th and in Anchorage on October 16th, 17th and 18th.

Please give me a call if you have any questions.

Thanks.

cc: All Senators

TO: VF
FROM: ST
RE: Campaign financing Mtgs in October
DATE: August 13, 1984

As we discussed during the last few days, this is the general direction I understand the meetings to be heading.

There will be two sets of State Affairs meetings scheduled in the first part of October-- one in Anchorage, and one in Juneau.

We will look into the following as they relate to campaign financing:

--PACs

- Should they be restricted on the amount they can give?
- Should candidates be restricted on the amount they can accept from PACs

--CORPORATIONS

- Should they be prohibited from contributing from campaigns
- Is there a way of limiting contributions that are in essence by one person, but are passed through different corporations

--LIMITING EXPENDITURES

- What are the options

--POLITICAL CAMPAIGN CONTRIBUTION CREDIT

- What is the cost to the state
- We will have statistics on use of credit

--FUNDRAISING ACTIVITIES

- Gov's Birthday
- Fundraiser in Texas
- Cal Worthington
- Perry Green Loan
- VECO

On these areas, the main emphasis will be on whether the activity was legal, whether the activity should be legal, and what can be done about the curbing that type of activity if the committee decides it should be illegal. We'll also take a look at what process APOC went through, if any, when they reviewed these activities.

--SUBPOENA POWER/SPECIAL COUNSEL

- I will make sure we know the proper process for subpoenaing records
- etc...
- I will see if we can get Judge Stewart or someone like him to act as special counsel for this process

BASIC OUTLINE FOR JUNEAU/ANCHORAGE MEETINGS

JUNEAU

5/
AUGUST 13 OUTLINE

Cover all of Governor's Fundraising Activities

- A) Approach used
 - level of coerciveness of approach
- B) How much money was raised
 - from whom
 - what amounts
 - was it done by agency
 - was it raised on state time
- C) Who was in charge
 - who collected the money
 - who kept records on whom had given
- D) Who was asked to give
 - who gave/who didn't

Testimony

- A) Division of Personnel(from Department of Administration)
 - to explain exempt vs. classified employees and how the law applies to them regarding political activity
 - to discuss issue of use of state time for fund solicitation.
- B) Someone to explain
 - political activities within state buildings
 - prior years practices of fund solicitation and political activity within buildings
- C) State employees
 - will probably have to subpoena exempt employees
 - (need process to randomly select 10 or so exempt employees from a list of those who did contribute and those who did not contribute)

The "formal" questioning would be something along the line of the following

- how and by whom were you solicited
- how much pressure was put on you to contribute
- if you contributed, do you consider the contribution voluntary, obligatory etc...
- if you did not contribute, why not

ANCHORAGE MEETINGS

(My understanding is that the Anchorage hearing will have two basic parts. The first will parallel the Juneau meeting, but the subject will be the VECO fundraising activities. The second part will explore the whole area of contributions by corporations, APOG,

the costs of elections, any and all other topics that come up)

VECO Fundraising

- A) Approach used
 - level of voluntary or coerciveness of approach
- B) How much money was raised
 - from whom
 - what amounts
- C) Who was in charge
 - who collected the money
 - who kept records on whom had given
- D) Who was asked to give
 - who gave/who didn't

Testimony from VECO

may have to subpoena VECO employees (as with state employees

(need process to randomly select 10 or so exempt employees from a list of those who did contribute and those who did not contribute)

The "formal" questioning would be something along the line of the following:

how and by whom were you solicited

how much pressure was put on you to contribute

if you contributed, do you consider the contribution voluntary, obligatory etc...

if you did not contribute, why not

did you feel that the money went to candidates you wanted to support

did you want to request the money back? if yes, was it returned

CONTRACT BETWEEN

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
Pouch Y
Juneau, Alaska 99811

AND

contract amount:
\$ 25,000.00

JON W. TILLINGHAST AND TIMOTHY J. PETUMENOS

The parties to this contract are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Senate State Affairs committee, hereinafter referred to as the "COMMITTEE", and JON K. TILLINGHAST AND TIMOTHY J. PETUMENOS, hereinafter referred to as the "CONTRACTOR".

THE PURPOSE OF THIS CONTRACT is to provide legal counsel and representation for the COMMITTEE.

CLAUSE I - SCOPE OF WORK TO BE PERFORMED BY THE CONTRACTOR

The CONTRACTOR shall act as legal counsel to and represent the COMMITTEE. The purpose of the contract is to review recent campaign financing practices and complaints, and to provide the legislature with information and possible solutions to irregularities discovered. Under the direction of the project director, the CONTRACTOR shall particularly focus on solicitations of funds associated with the Governor's Birthday Party held in Juneau and the political campaign financing plan and practices developed by VECO and related public policy issues.

CLAUSE II - PROJECT DIRECTOR

The Project Director is Senator Victor Fischer, Chair, Senate State Affairs Committee.

CLAUSE III - PERIOD AND DATES OF PERFORMANCE

The work under this contract shall be performed beginning September 12, 1984. Unless extended by written agreement, this contract expires on November 30, 1984.

CLAUSE IV - COMPENSATION AND METHOD OF PAYMENT

For the work specified in this contract, the CONTRACTOR shall be compensated at its usual and customary fees; Principal attorneys: \$130 per hour, Associates: \$110 per hour, and Paralegals: \$45 per hour. The COMMITTEE agrees to reimburse the CONTRACTOR for expenses incurred under this contract by the CONTRACTOR.

The total sum expended under this contract shall not exceed \$25,000, including expenses. CONTRACTOR'S billing statement shall be itemized to show the time spent, a task description and the date that task is performed.

CLAUSE V - OFFICE SPACE, EQUIPMENT, CLERICAL AND LOGISTICAL SUPPORT

Routine office space, equipment and clerical support of the CONTRACTOR that will be necessary to carry out the obligations under this contract shall be supplied by the CONTRACTOR. Additional logistical support, such as court reporters and Senate staff, are not included within this contract but may be made available to the CONTRACTOR by the COMMITTEE as the project director after consultation with the contractor determines.

CLAUSE VI - RECORDS, DOCUMENTS, AUDIT

The CONTRACTOR shall maintain accurate records including time records as may be required by the project director. The records are subject to inspection by the COMMITTEE at all reasonable times.

CLAUSE VII - TERMINATION

This contract may be terminated by either party upon written notice to the other. If this contract is terminated, the CONTRACTOR shall be compensated for services rendered under the terms of this contract to the date of termination.

CLAUSE VIII - ASSIGNMENT, TRANSFER AND SUBCONTRACTING

No assignment, transfer, or subcontracting of this contract may be made unless all parties agree in writing.

CLAUSE IX - MODIFICATIONS AND PREVIOUS AGREEMENTS

This contract contains the entire agreement between the parties and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in the written contract, shall be valid or binding. This contract shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the agreement.

CLAUSE X - CERTIFICATION

Execution of this contract by the Deputy Director or his designees, hereby constitutes a certification that funds have been appropriated and encumbered for the amount of this contract.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted.

CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY

JON K. TILLINGHAST Date

DON FISHER Date
Deputy Director

TIMOTHY J. PETUMENOS Date

Accepted:

Victor Fischer Date
Chairman,
Senate State Affairs
Committee

Bill G. Berrier 9/10/89
Bill G. Berrier Date
Legislative Legal Counsel

STATE OF ALASKA THE LEGISLATURE

HOUSE STATE CLERK
JUNEAU ALASKA 99801
907 465 3100

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

September 10, 1984

SUBJECT: Tillinghast - Petumenos contract

TO: Senator Vic Fischer
Chairman
Senate State Affairs Committee

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked several questions concerning the contract for provision of described legal services by Jon Tillinghast and Tim Petumenos to the Senate State Affairs Committee.

1. AS 24.23 (Legislative Contract Procedures) does not apply to this contract assuming that no previous professional service contracts have been entered into within the last 12 month period between the attorneys or their firm and the committee under the exemption contained in AS 24.23.010(1).
2. If further work is required and the contract is extended so that the total amount exceeds \$25,000 the full procedures under AS 24.23 for contract award including solicitation of proposals is required. In my opinion the exemption in AS 24.23.020(e) which allows sole source awards if one person or firm can clearly perform the required services more satisfactorily because of the person's or firm's prior work does not apply. This exemption must apply to the entire work since to read it otherwise would make the provision in AS 24.23.010(1) that the total contracts with a single committee may not exceed \$25,000 meaningless.
3. Although verbal solicitations were extended to more than three firms the provisions of AS 24.23 have not been complied with since AS 24.23.020(a) requires "a formal written request for proposals."

Senator Vic Fischer

Page 2

September 10, 1984

4. The contract may be with the firm or with the individual attorneys from our standpoint. There may however be policies within the firm which would prevent the attorneys from entering into contracts in their own names. If this is the case I strongly recommend the contract specify the attorneys who will provide the legal services. This is not necessary but at least one unsatisfactory experience (not with this firm) has convinced me of its wisdom.

BGB:lmb
L4/024

M E M O R A N D U M

TO: Senate State Affairs Committee

FROM: *[Handwritten initials]* Tim Petumenos
Jon Tillinghast

DATE: September 18, 1984

RE: Senate State Affairs Committee inquiry into
campaign financing practices.

At our initial interview with Chairman Vic Fischer on September 7, 1984, regarding our retention as special counsel to the committee we made the following disclosures to Chairman Fischer regarding present clients and firm activities as they may relate to our retention as special counsel to the committee. The following companies are clients of the firm of Birch, Horton, Bittner, Pestinger and Anderson:

1. Texaco USA (includes some lobbying activity)
2. Mapco Inc.
3. Conoco, Inc.
4. Amerada Hess, Inc.

In addition Mr. William Bittner, who is a partner in the firm with which we are associated, is a member of the Democratic Finance Committee. The Democratic Finance Committee was the recipient of part of the funds raised at the Governor's Birthday party political fundraisers in Juneau and Anchorage. The four members of the Democratic Finance Committee are Willie Hensley, Greg Carr, Ashby Reed,

and William Bittner. The members of the committee distributed funds distributed to it in the primary and general election to State Democratic party candidates. In addition, Mr. Bittner made his home available to the Democratic Party for a fundraiser in Anchorage on August 24, 1984.

It will be the policy of committee counsel to directly inform the committee members of pertinent matters involved in the investigation and as part of this policy we wish to take the responsibility for directly communicating to members the foregoing.

TP:sab

LAW OFFICES

BERCH, HORTON, BITTNER, PESTINOER AND ANDERSON

A PROFESSIONAL CORPORATION

130 SEWARD STREET, SUITE 411

JUNEAU, ALASKA 99801

TELEPHONE (907) 586-2880

TELECOPIER (907) 586-8814

September 24, 1984

1187 WEST SEVENTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 278-1880
TELEX 95334

711 GATFHEY ROAD
FAIRBANKS, ALASKA 99701
(907) 462-1000

1140 CONNECTICUT AVE., N.W.
SUITE 1100
WASHINGTON, D.C. 20036
(202) 682-8800

NOT ADMITTED IN ALASKA

LLOYD V. ANDERSON
LUANN E. BAILEY
SUSAN P. BERCKE
RONALD G. BIRCH
WILLIAM M. BITTNER
PHILIP BLUMSTEIN
ROBERT E. CARMAN
JOSEPH M. CHOMBRI
LARRY D. COHN
WILLIAM T. DEWEY
PAUL L. DILLON
ERIC A. EISEN
JOSEPH W. EVANS
KENNETH J. GOLDMAN
RICHARD G. HAGGART
TIMOTHY N. HAAKKA
BILL R. HORTON
CAROL A. JOHNSON
MARC W. JUNE
STANLEY S. LEWIS
JEFFREY S. LOWENFELD
PAUL R. LYIC
PATRICK M. OWEN
MICHAEL J. PARISE
VICTOR G. PESTINOER
DANIEL N. PETERSON
STEPHEN T. SOMERSEN
BARRY N. SUMNER
JULIUS SIMPSON
AMERICAN STRICKLAND
BRUCE W. WESTERMARK

The Honorable Bill Ray, Vice Chairman
Senate State Affairs Committee
Capitol Building, Room 103
Juneau, Alaska 99801

Re: Offer of Withdrawal of Services
Our file no. 401,090.1

Dear Senator Ray:

Prior to entering into our contract for the investigation of the VECO matter and Governor Sheffield's Juneau birthday party, our firm disclosed to the committee chairman that:

- (1) we represented several oil companies; and
- (2) a partner of mine serves on the Democratic Party Finance Committee, and in that capacity was involved in the ultimate disbursement of the Juneau birthday party funds.

We volunteered these facts because it is our professional obligation to do so, and as well because these investigations are sensitive. We wanted the committee, and each of its members, to be absolutely certain, based on the fullest information, that we were the appropriate choice for the committee's work.

The committee determined that these facts were immaterial, and that we were the best qualified, available attorneys to undertake these tasks. On that assurance, we began working diligently to pursue the investigations. We have undertaken a substantial effort, and have foregone other opportunities in our desire to give the committee the best possible work product.

Over the past week, complaints have been raised about our firm's previously-disclosed associations. Those complaints have come, to the best of our knowledge, not from the committee members, but from other affected parties. Nonetheless, they have added an element of difficulty to the investigations, and have raised the question of whether we should offer to withdraw as counsel.

BNF
SEPTEMBER 24 OFFER OF RESIGNATION FROM COUNSEL

At our September 21 meeting, I indicated a willingness to offer withdrawal if the committee so preferred. You then requested that such an offer be made. Accordingly, and through this letter, Mr. Patumanos and I are offering to withdraw as counsel.

As we agreed, this is only an offer of withdrawal, and pending further word from you we are still committee counsel. There are many factors which you and the committee must consider before (1) our withdrawal is accepted or rejected; or (2) we are asked to assign our contract, in whole or in part, to acceptable substitute counsel.

Per our agreement of September 21:

(1) We will complete an interview scheduled for September 24. After that, we will hold all further work on the investigations, except file organization and transitional work (if necessary); and

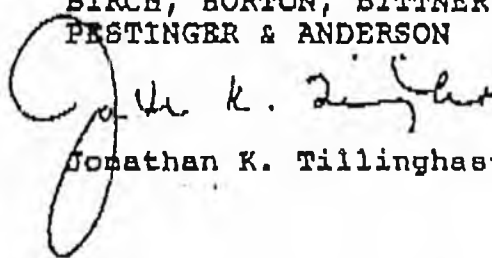
(2) We are authorized to identify possible alternate counsel. This will result in billable hours, and it will be done in close consultation with you and Elizabeth Hickerson.

If you decide to accept this offer of withdrawal, we of course assume that the committee will meet its contractual commitments, and that condition is a material element of this offer. To reiterate, our firm entered into this contact in good faith, after the fullest disclosure possible, and only after being informed by the committee chairman that our firm's associations, professional and political, were immaterial.

We trust that this matter can be resolved, one way or the other, as quickly as possible. Senator Fisher had envisioned that the investigations would be complete, and hearings held, in early October. The events of the past week have proven that impossible. Now, with both investigations on hold, precious time is passing.

Sincerely,

BIRCH, HORTON, BITTNER
PESTINGER & ANDERSON



Jonathan K. Tillinghast

JKT/rdg



VECO, INC.

5151 FAIRBANKS STREET • ANCHORAGE, ALASKA 99503 • PHONE (907) 561-1701

September 25, 1984

Senate State Affairs Committee:

Senator Vic Fischer

Senator Bill Ray

Senator Tim Kelly

Senator Patrick Rodey

Senator Arliss Sturgulewski

Juneau, Alaska

Re: Alaska Senate State Affairs Committee
Investigation into Campaign Financing Practices

Dear Members of the Committee:

Recently the law firm which represents VECO was contacted by Mr. Timothy Petumenos who indicated that he had been retained by your Committee, along with Mr. Tillinghast, to conduct an investigation into certain campaign fund raising practices. According to Mr. Petumenos he and Mr. Tillinghast, who are both employed by the law firm of Birch, Horton, Bittner, Pestinger and Anderson, had been hired to investigate two areas:

1. The fund raising activities for the benefit of the Democratic Finance Committee, which took the form of Governor Shifffield's "birthday party" fund raisers, and
2. VECO's "recent campaign fund raising effort which has been reported to have been made available to VECO employees."

I want to raise a number of serious and substantial concerns which VECO has about the investigation. I should note, to begin with, that we have received no formal notification from the Committee itself as to the scope of the investigation and its timing. Therefore we are relying entirely on what we have learned from Mr. Petumenos.

I first want to discuss my concern about Chairman Fischer's role in the investigation. Enclosed is a copy of a letter written by Senator Fischer which appeared in the Anchorage Daily News on or about August 9, 1984, within days of the first report by that newspaper on VECO's employee withholding program. Although this was long before the Committee had met to consider the possibility of an investigation, Senator Fischer had already made up his mind. He announced to the readers of the Anchorage Daily News that VECO's employee withholding plan "smells to high heaven" and is "totally against the intent of existing law and violates every decent principle of proper campaign financing." According to Senator

9/
SEPTEMBER 25TH LETTER TO COMMITTEE FROM VECO

Senate State Affairs Committee:
Senator Vic Fischer
Senator Bill Ray
Senator Tim Kelly
Senator Patrick Rodey
Senator Arliss Sturgulewski

Septemer 25, 1984
Page two

Fischer, VECO's plan for its employees was a "devious political money scheme" which permitted VECO to feed "dirty money" to politicians. The Senator had no doubt that "some people" (obviously referring to VECO and its employees) "are out to use and abuse existing law against the public good." All of this was for the purpose of paving the "road to influence and control."

If a judge said this sort of thing about somebody who was going to appear in his court, I am sure that he would be kicked off the case. I do not know whether legislators are held to the same standards as judges, but it disturbs me a great deal that Senator Fischer, after having said this about VECO, now intends to "judge" VECO's actions as Chairman of the Committee which is supposed to conduct a fair and impartial investigation. I think it is too late for Senator Fischer to say that he can be fair and impartial. Obviously he has already made up his mind that VECO is "guilty."

It is VECO's position that if the investigation of VECO is to continue, Senator Fischer must resign, or be removed, from the Committee and play no role whatsoever in any investigation of VECO's political contributions or those of its employees. Further, Senator Fischer should disclose his communications with other members of the Committee so that it can be determined whether he attempted to influence or bias them against VECO, as he did the public in his letter of August 9, 1984. I understand that the Legislature passed a law at the last session establishing a Select Committee on Legislative Ethics in which it said:

The legislature finds that it is essential in the conduct of public business that legislators hold the respect and confidence of the people. Legislators must avoid conduct that even appears to violate the trust people have placed in them.

I assume the Committee members agree with this, and would not want the public to discount the work done by the Committee because of Senator Fischer's pre-judgment of VECO and its employees.

My second concern arises out of a memorandum which was given to my attorney last week by Mr. Petumenos. I am enclosing a copy. It says that Mr. William Bittner, who is a partner in the firm which employs Messrs. Petumenos and Tillinghast, is a member of the Democratic Finance Committee. In fact, Mr. Bittner played an active role in putting on one of the major fund raisers in his home. This Committee received funds from the

Senate State Affairs Committee:
Senator Vic Fischer
Senator Bill Ray
Senator Tim Kelly
Senator Patrick Rodey
Senator Arliss Sturgulewski

September 25, 1984
Page three

Governor's birthday fund raisers and then distributed these funds to Democratic candidates. These are the fund raising activities which Mr. Petumenos and Mr. Tillinghast are supposed to be investigating. Given the political nature of the various fund raising activities for opposing candidates, it seems clear that it is in the interest of the Democratic Finance Committee (and Mr. Bittner) that (a) the Democratic Finance Committee be exonerated of any claim of improper actions in raising funds for Democratic candidates, and (b) if blame is to fall on anyone, it should fall on VECO, which has supported Republican candidates, rather than the Democratic Finance Committee.

What will the public think when it learns that the Committee's investigation is being carried out by members of a law firm including a partner who is a member of one of the organizations which is being investigated? I can imagine the reaction of the Anchorage Daily News if the Committee had hired as its Special Counsel a law firm with a partner who is a member of VECO's Board of Directors. With all of the experienced personnel and staff available to the Legislature, I am very disturbed that the Committee would hire a law firm with direct ties to the Democratic Finance Committee to investigate VECO's political contributions to opposing Republican candidates.

In light of these facts, I urge the Committee to review the propriety of the law firm of Birch, Horton, Bittner, Pestinger and Anderson serving as the Committee's Special Counsel, given the membership of Mr. Bittner on the Democratic Finance Committee at the time the questionable fund raising activities occurred.

Despite my concerns discussed above, VECO has voluntarily cooperated with Mr. Petumenos in providing voluminous documentation to him relating to its employee withholding program. However, given the flawed nature of the Committee's work so long as Senator Fischer remains involved, it is VECO's position that the investigation should be delayed until Senator Fischer has removed himself, or been removed, from any role in the Committee's investigation. When this has occurred, I can assure you that VECO will continue to cooperate so that the Committee will have available to it all of the the facts relating to VECO's program which allowed its employees to make contributions to candidates of their choice. At the appropriate time we will be pleased to provide comments on VECO's view of deficiencies in

Senate State Affairs Committee:
Senator Vic Fischer
Senator Bill Ray
Senator Tim Kelly
Senator Patrick Rodey
Senator Arliss Sturgulewski

September 25, 1984
Page four

the law and regulations, and in the APOC procedures, which have made it very difficult for VECO to carry out a program which it firmly believes is not in violation of the law and is consistent with fund raising practices of many other organizations.

I look forward to your early response.

Very truly yours,



Bill J. Allen
Chairman of the Board

BJA:p

ADN 8/19/84

Address potential traffic nightmare

As a candidate for State House I have been actively campaigning door to door in the district. Dozens of persons living in precincts 90 and 91 have expressed concerns to me regarding a potential access problem due to a new high density apartment complex located on the New Seward Highway between Dowling and Tudor. With access in and out of the area limited to Frontage Road, this is forcing residents of the area to utilize Lake Otis. This presents an additional problem because Lake Otis is already used heavily and is difficult to access in peak hours.

I would like to encourage residents of the area to join with me in contacting Mayor Knowles to insure that this potential traffic nightmare is being properly addressed.

— Virginia M. Collins
Candidate
House District 10

Clean up campaign financing laws

Many people believe politics is a dirty business. And there are always some who seem to be out to prove them right.

The latest is VECO making massive corporate contributions to a few selected senators through its employees. They're apparently out to test how close they can get without completely wallowing in mud.

Maybe the VECO plan developed by former state Sen. Ed Dankworth is legal, but it sure

smells to high heaven. It is totally against the intent of existing law and violates every decent principle of proper campaign financing.

I am ashamed that some fellow senators took this dirty money and participated in such a devious political money scheme. It's particularly interesting that they would do so, since each of them has opposed the political contributions credit system designed to facilitate citizen rather than special interest financing of election campaigns.

Clearly, Alaska better do something to clean up campaign financing laws. Corporate contributions to political candidates are prohibited at the federal level and in most states. Schemes such as VECO's are outlawed almost everywhere.

In addition, there is a national move to restrict the power of political action committees. Maybe it's time we also join such an effort.

While I've not believed that we in Alaska have so far had any serious problems with either corporate campaign contributions or PACs, it is clear that some people are out to use and abuse existing law against the public good. They take advantage of politicians' greed and yearning for power and feed them money — which paves the road to influence and control.

As chairman of the Senate State Affairs Committee, I plan to hold hearings on fair campaign practices, campaign financing, conflict of interest, and public disclosure. I invite

the people to participate.

— Sen. Vic Fischer
D-Anchorage

Car show workers lauded for clean-up

Just a short comment on the individuals that were responsible for the clean-up of the Park Strip where the "Show & Shine" car show was held on July 29. The grounds were kept quite clean during the show and the individuals who did the final cleanup after the affair was over, deserve a round of applause. It was immediately done.

I mention this as the Park Strip has been left in a irresponsible mess several times after some other groups "used" the grounds, had a mess during their affair, and did not clean up after themselves. I had called one sad mess to the attention of a reporter with one of the papers that same evening and I did not see a mention of it anywhere in a paper!

It seems as though many groups use the Park Strip, but very, very few ever bother to clean up the grounds after their use and abuse.

So, my hat's off to the individuals that were involved in the "Show & Shine" car show. Beautiful job!

And, in my opinion, that was the best car show ever held on the Park Strip. In my estimation, more than 200 cars involved overall, and was very well attended by the public!

— James R. Hadley



Official Business

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

September 28, 1984

MEMORANDUM

To: Senator Vic Fisher
From: Representative Terry Martin
Re: Impartial Investigations

In response to your challenge at the Sept. 4th Senate State Affairs hearing I submit the following groups and practices for investigation by your committee. I urge you to assure a nonpartisan, non political investigation by adopting a policy guaranteeing that any and all groups with similar questionable practices be investigated. Not to adopt such a policy will only confirm that you are playing partisan politics by discriminately selecting only specific groups for investigation.

You realize that your prejudice against VECO is well documented and therefore taints your claims of an impartial investigation. Your credibility in this matter was destroyed by your statements in the paper that VECO's plan "smells to high heaven" and is "totally against the intent of existing law and violates every decent principle of proper campaign financing."

It is obvious to me that you and the Alaska Public Offices Commission (APOC) staff have known for some time that other groups use the payroll deduction technique to finance their PAC's. Both the Alaska Public Employees Association (APEA) and Plumbers and Pipefitters Local 262 use payroll deductions to finance their campaign contributions. This is documented in the APOC files (see attached). I urge you to investigate these two groups and any others using similar fundraising techniques. Without a balanced evaluation of all public and private contribution systems one would logically conclude that you have no intention of conducting a fair investigation. You should not use your office to discriminate between public and private employees.

It is extremely unjust that VECO's image has been tarnished by your letter to the editor and your "unbiased" committee investigation. Your actions and articles by the media have forced VECO to voluntarily stop political contributions by their employees. Having attorneys from your committee seek to subpoena only VECO employees unjustly incriminates them by implication. They should not be made to feel guilty for legitimately attempting to participate in the political process. Have your attorneys considered subpoenaing any APEA employees and asking if their payroll deductions were voluntary? Have they tried to subpoena anyone other than VECO related people or is this strictly an investigation of one company? Have you or anyone from your committee checked

10/SEPT. 28 LETTER TO SENATOR FISHER FROM TERRY MARTIN

on the fundraising tactics of Alive/Regular--- the political arm of Teamsters Local 959 from which you have received financial support. If you had you would have noticed that all of the funds that Alive/Regular receives for candidate contributions comes from two groups, Alive/Voluntary and Teamsters. It is interesting to note that neither Alive/Voluntary nor Teamsters files reports with APOC. There is absolutely no trace of the money given to candidates by Alive/Regular.

With the VECO plan candidates knew exactly which employee contributed to their campaign. There is no way that any VECO employee could give more than \$1000 to one candidate. With APEA's plan and many others money can be "laundered" through the PAC's. Employees who are PAC members can easily exceed the \$1000 contribution limit per candidate. By personally contributing \$1000 to a candidate then giving \$1000 to his PAC and encouraging the PAC to donate to the same candidate, an individual has effectively skirted the \$1000 limit and given \$2000 to one person.

While many of the groups are so large that it is nearly impossible to trace donations, one group, a group which your committee should investigate, is small enough that it serves as a good example of double donations and laundering money. The name of this group is the Eleanor Roosevelt Club, a registered political action committee. You will notice that this group's committee members contributed 68% of the money which was given to candidates. The same committee members also made personal contributions to some of the same candidates. This group and any others like should be closely scrutinized for improprieties in their donations. Do these committee members determine which candidates receive money and if so, are these individuals actually exceeding the \$1000 limit?

At this point it seems only fair that your committee request that APEA, Plumbers and Pipefitters Local 262, Teamsters Alive/Regular, and any other groups with similar questionable practices refrain from making campaign contributions until your committee and APOC can conduct investigations on these matters. Right now it seems that APOC is dragging its feet in investigating VECO and probably won't render a decision until after the elections. This effectively prohibits VECO employees from monetarily participating in the 1984 campaigns. Even if VECO employees were to contribute money on their own, candidates may be reluctant to accept what you have described as "dirty money".

And while there may be legitimate concerns with VECO's plan, the VECO employees shouldn't feel guilty about participating in a plan very similar to the one used by public employees. APOC staff was aware of the VECO plan from the very beginning and was also knowledgeable of a very similar plan implemented by APEA during the 1982 election. VECO made an honest attempt at establishing a legitimate plan for employees to participate monetarily in the political process. Their plan is very similar to others already in existence, yet VECO is being singled out as devising a "devious political money scheme".

In conclusion, I must express that I am most surprised and extremely disappointed that a State Senator would use his position to launch an

investigation against any one group without first knowing more about an issue than what has been planted in the media and without checking comparable situations. If you must go on with this pseudo investigation I would hope that you accept my recommendations and investigate groups and practices other than just VECO.

cc: media
VECO

ELEANOR ROOSEVELT CLUB

SRA Box 31-Y
Anchorage, Ak. 99507

Chairman: Frank Raye
Treasurer: John K. Emery
Deputy
Treasurers: Susan Vaillancourt
Martin Palmer
Fred Hillman

1982 Total Contributions to the PAC: \$ 8480.90
1982 Total Expenditures (contributions to candidates) \$ 7300.00

Contributions to the Eleanor Roosevelt Club greater than \$ 100

<u>Contributor</u>	<u>Amount</u>
Frank Raye	\$ 1500
John Emery	\$ 1500
Woodbar Inc.	\$ 200
Karrol Jackson	\$ 125
Holli Ploog	\$ 500
Gordon Smith	\$ 1000
Fred Hillman	\$ 1000
Total:	\$ 5825

Contributions by the Eleanor Roosevelt Club to Candidates (1982)

<u>Candidate</u>	<u>Amount</u>
Jim Ayers	\$ 900
Bert Campbell	\$ 900
Marilyn Carpenter	\$ 900
Don Clocksin	\$ 900
Virginia Dal Piaz	\$ 900
Vic Fisher	\$ 500
Joe Josephson	\$ 900
Joyce Munson	\$ 500
Chuck O'Connell	\$ 900
Total:	\$ 7300

Individual Contributions to Candidates

<u>Contributor</u>	<u>Candidate</u>	<u>Amount(\$)</u>
John K. Emery	Don Clocksin	\$ 470
Holli Ploog	Bert Campbell	\$ 1000
Frank Raye	Jim Ayers	\$ 1000
	Bert Campbell	\$ 1000
	Don Clocksin	\$ 1000
Gordon Smith	Bert Campbell	\$ 369
	Marilyn Carpenter	\$ 392
	Don Clocksin	\$ 678

TEAMSTERS LOCAL 959 PAC GROUP-- ALIVE/REGULAR

Alive/Regular
P.O. Box 2092
Anchorage, Ak. 99510

Chairman:	John Creed	P.O. Box 2092, Anch. 99510	276-4334
Treasurer:	Dianna Conyers	P.O. Box 2092, Anch. 995 0	276-4334
Vice Chair:	Patricia Gerondale	P.O. Box 2092, Anch. 99510	276-4334

For Year of 1982

Total Contributions to Alive/Regular	\$ 28,422.43
Unpaid Loans	\$ 25,000.00
Total	<u>\$ 53,422.43</u>
Total Expenses (Includes Candidate Contributions)	\$ 47,564.97

1982 Contributions to Alive/Regular

<u>Report</u>	<u>Date</u>	<u>Check #</u>	<u>Donator</u>	<u>Amount (\$) This Period</u>	<u>Amount (\$) Cumulative</u>
30 Day Primary	7-8-82	Blank	Alive/Voluntary P.O. Box 2092 Anchorage 99510	10,000	20,000
30 Day General	9-21-82	8538	Teamsters Local 959 P.O. Box 2092 Anchorage 99510	675	675
30 Day General	9-23-82	Blank	Alive/Voluntary P.O. Box 2092 Anchorage 99510	15,000	25,000

1982 Loans Received

30 Day General	9-21-82		Teamsters Local 959 P.O. Box 2092 Anchorage 99510	25,000	25,000
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Note: All money for Alive/Regular Comes from Alive/Voluntary and Teamsters.
Teamsters and Alive/Voluntary don't file APOC reports-- no trace of the money
No indication if the loan has been repaid or not.
All this information is from the APOC Alive/Regular File.

Compiled by Rep. Terry Martin

STATE CAMPAIGN DISCLOSURE
AUDIT REPORT

(APEA)

Employer Political Information Committee
(Name of Candidate or Group)

General
(Type of Election)

(Seat Filed For)

11/2/82
(Date of Election)

Your 7th 10 day Campaign Disclosure Report (APOC Form 15-3A through G) has been audited and corrections have been made on the following schedule(s):

- Schedule A (Title Page & Short Form)
- Schedule B (Summary Page)
- Schedule C (Monetary Contributions)
- Schedule D (Non-monetary Contributions)
- Schedule E (Loans)
- Schedule F (Paid Expenditures)
- Schedule G (Accrued Expenditures)

Copies of the corrected schedule(s) and a revised summary page, based on the corrections, are attached. Corrections made by the APOC are explained below.

REMARKS: Thank you for your reports. I have two comments/questions?

① On your 7 Day Pk. General report, you listed as \$500 contribution to Comm. for Better Alaska. Is this organization a political committee? Would you please provide us with their mailing address, since we may need to contact them if it appears that they should be registered with our office?

② Your Schedule C's may not be completed correctly. If an individual APEA member contributes, via a wage deduction (or through any other means), let us say, \$20, during a reporting period, then, if he has collectively contributed over \$100 during 1982 to EPIC, his contribution (check #, name, address, occupat., employ.,) must be itemized. From the manner in which you have completed your Schedule C's, I suspect that you are under the false impression that if a person contributes \$100 or less during a reporting period he does not have to be itemized in Part I. This is true only if his yearly cumulative total is \$1000 less. Please amend your report(s) if necessary.

Audited by: [Signature] 12/16/82 (over)

[15]

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-359
(907) 276-4176
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

August 8, 1984

Dwight Perkins
Plumbers & Pipefitters Local 262
245 Marine Way #7
Juneau, Alaska 99801

Dear Mr. Perkins:

It was a pleasure speaking with you over the phone on July 31st.

As I explained to you, we have received your certification letter and solicitation card for the Political Action Fund, a fund established by the union for the purposes of supporting an apparently nonpartisan bowling team (at least to the extent it is not advocating a position in an election), and for political and charitable contributions.

You have reported on Campaign Disclosure Statements in the past, and have made various contributions to cancer research and the Cub Scouts. Although you needed to recheck your books and records (which you could not reach because you called from Seattle), you thought more of the Fund's money was spent for political purposes over the past 5 years than any other purpose. Further, you explained that eventhough the solicitation card contained a blank space for the amount of the member's periodic assessment, all members pay an equal amount (15 cents) at the same intervals (pay period) into the Fund. The Fund's directors are different from the Union and set the assessment for all the members. No member pays more or less than the assessment established by the officers of the Fund. No payments other than the assessments are paid into the Fund, and it is maintained in a separate ledger and checking account.

It is the initial opinion of staff, assuming all of the foregoing is true, that the Fund is solely composed of uniform assessments, accepts no other individual contributions, and is properly certified as such by the executive officer, thereby qualifying for 15-5 (Statement of Contributions) and 15-6 (Statement of Independent Expenditures) reporting as its activities dictate.

Staff suggests you confirm the foregoing in writing, with any reservations or conditions you may apply, and submit the same to the Commission prior to

Dwight Perkins
August 8, 1984
Page 2

their August 16 meeting in Anchorage. The Commission will review your letter, this staff determination, and either approve or disapprove this staff decision.

If you have questions, do not hesitate to call.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

CHRIS JOHANSEN
Associate Coordinator

CJ/wms
cc: Commission Members



United Association of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of the United States
and Canada

LOCAL NO 262

STREET ADDRESS 245 Marine Way #7

CITY STATE ZIP Juneau, Alaska 99801

SUBJECT MATTER

DATE

ARRIVED

JUL 21 1984

APOC-ANCH
FM HC
6/26/84

A.F.O.O.
Mr. Charlie Johanson
610 "C" Street, Suite 211
Juneau, Alaska 99801

June 27, 1984

Dear Mr. Johanson,

This letter is to confirm our discussion on June 27, 1984 regarding the Plumbers & Pipefitters LU 262 Political Action Committee Fund.

As I mentioned to you Local 262 has a "contingency fund". It receives its money from working members that are uniformly assessed when they sign the Voluntary Contribution Agreement, a copy of which is enclosed for your review. The fund receives no contributions other than this.

If you have any questions regarding this matter, please contact my office.

Sincerely,

Dwight Perkins
Business Manager / Financial Sect'y
LU 262

P. 1

MARVIN ROEDI

CHARLES HADY



Letters should be confined to one subject

VOLUNTARY CONTRIBUTION AGREEMENT

I hereby authorize my employer to pay the sum of \$_____ for each hour worked and forward that amount to the Plumbers & Pipefitters LU 262 Political Action Fund. This authorization is signed freely and voluntarily and not out of any fear of reprisal and on the understanding that the Plumbers & Pipefitters LU 262 will use the money for political, educational, legislative, charity and defense purposes and promotion for the general welfare of all contributors.

Signed _____

Date _____

Witness:



MEMORANDUM

State of Alaska

CDS file
TO: Plumbers and Pipefitters Local 262

DATE: September 18, 1981

FILE NO.

TELEPHONE NO.

FROM: Patrice Audap

SUBJECT: Political action committee status
and tax credit

o/c by representative of union. They have a benefit package with their employer of \$5.45 an hour. Of that \$.05 is paid by the employer to the employee's PAC. They want to know if they can claim that as a tax credit. The money is not withheld from their checks but is paid for by employer.

Called Vicki who said to refer him to Revenue as their decision. Referred him to Joseph Donahue.

Also, determined that their group is a PAC; they will not be active in municipal election, gave him a 15-0 to complete and submit to Anchorage so they will be on mailing list for new State information for PAC's.

file: Plumbers and Pipefitters Local 262

Patrice Audap



people." the Anchorage



Hitch Daily News 8/19/84
Clean up campaign financing laws

Many people believe politics is a dirty business. And there are always some who seem to be out to prove them right.

The latest is VECO making massive corporate contributions to a few selected senators through its employees. They're apparently out to test how close they can get without completely wallowing in mud.

Maybe the VECO plan developed by former state Sen. Ed Dankworth is legal, but it sure

smells to high heaven. It is totally against the intent of existing law and violates every decent principle of proper campaign financing.

I am ashamed that some fellow senators took this dirty money and participated in such a devious political money scheme. It's particularly interesting that they would do so, since each of them has opposed the political contributions credit system designed to facilitate citizen rather than special interest financing of election campaigns.

Clearly, Alaska better do something to clean up campaign financing laws. Corporate contributions to political candidates are prohibited at the federal level and in most states. Schemes such as VECO's are outlawed almost everywhere.

In addition, there is a national move to restrict the power of political action committees. Maybe it's time we also join such an effort.

While I've not believed that we in Alaska have so far had any serious problems with either corporate campaign contributions or PACs, it is clear that some people are out to use and abuse existing law against the public good. They take advantage of politicians' greed and yearning for power and feed them money — which paves the road to influence and control.

As chairman of the Senate State Affairs Committee, I plan to hold hearings on fair campaign practices, campaign financing, conflict of interest, and public disclosure. I invite

the people to participate.

— *Sen. Vic Fischer*
D-Anchorage

SENATE STATE AFFAIRS
STANDING COMMITTEE
September 4, 1984
1:30 p.m.

Members Present: Senator Victor Fischer, Chair
Senator Bill Ray
Senator Arliss Sturgulewski
Senator Pat Rodey
Senator Tim Kelly

CAMPAIGN FINANCING

WITNESS REGISTER

Bob Warren
P.O. Box 5041
Kenai, AK

Debbie Storud
P.O. Box 1345
Wasilla, AK

Eldon Criswell
2180 Chandalar Dr.
Anchorage, AK

K. Huth
531 Tyee Circle
Anchorage, AK

Theda Pittman, APOC
610 C St. #211
Anchorage, AK 99501

Chris Johansen, APOC
610 C ST. #211
Anchorage, AK 99501

Pat Kennedy
1031 W. 4th Ave.
Anchorage, AK 99501

John Keirgorf
7451 Foxridge, #F
Anchorage, AK

11 / MINUTES FROM PREVIOUS MEETING - 9-4-84

Mark Hanley
1024 W. 6th Ave.
Anchorage, AK 99501

Penelope Dryfus
1024 W. 6th Ave.
Anchorage, AK 99501

Robin Wilton
1024 W. 6th Ave., Suite 204-E
Anchorage, AK 99501

Kristi Ana Byrd
1024 W. 6th Ave., #204-F
Anchorage, AK 99501

Jane Barcott
7734 Boundary
Anchorage, AK

Steve Helmel, APRN
4640 Old Seward Hwy., #202
Anchorage, AK

Terry Martin
State Legislature

MINUTES: Senate State Affairs Committee
September 4, 1984

The meeting was called to order by Senator Vic Fischer at 1:30. Senator Fischer noted that all members of the committee were present.

Senator Vic Fischer gave a brief introduction outlining the purpose of this and subsequent meetings, including a review of problem areas and recommendations related to campaign financing issues. Senator Fischer invited testimony from APOC latter in the meeting, and described the purpose of this meeting as largely a work session.

Senator Ray stated that the committee was to do work and was not on the subject of a witch hunt.

Senator Kelly suggested that the meetings might be ill-timed. He said that he felt that a more appropriate action could be taken during the session. He said that this was a lameduck committee.

Senator Fischer replied that the now was the time to be most effective, because the matter was now before the public and may be lost once the session began. Senator Fischer said that he felt that many campaign reforms issues have fallen on their face due to the lack of support. He further added that all members of this committee would be back next session, and that the time is now to prepare for a major piece of legislative reform.

Senator Fischer outlined some of the important campaign finance trends on page 2 of the report "Campaign Financing Trends". He also listed some of the issues in the memo.

Senator Sturgulewski added she would like to see any work we had done on party contributions, and multiple contributions.

Senator Vic Fischer responded by saying that we were looking into those and a number of other things.

Senator Ray, on the subject of PACs, said that he felt there was a subversion-- a certain subsidization for candidates chosen by PACs.

Senator Vic Fischer gave a brief suggestion on the format the committee should go use for the investigation:

- 1) VECO
- 2) Gov's birthday party in Juneau
- 3) Cal Worthington
- 4) Perry Green loan
- 5) Out of State Fundraisers
- 6) Unlimited donations by parties

Senator Fischer stresses that the efforts of the committee will be to discover the fundraising activities are ethical and proper. He said

that the investigation is a means of informing the committee and taking a good look at practices to determine if legislative actions are appropriate, and whether the fundraising activities are good public policy.

Senator Rodey stated that the public was generally distrustful of the financing of elections. He said that it was incumbent on the committee to address the issue.

Senator Kelly said that it was inappropriate to focus on any specific issue, particularly VECO. He added that to zero-in on specific examples with a topic so large is wrong.

Senator Fischer said that we are to see what can be done to propose reforms to be initiated next session. He added that it is his intention to assure that everyone's rights are protected and the due process is protected. The best way to proceed is to engage a special counsel for these purposes.

Senator Kelly asked Senator Fischer whether he would ask Senators on the Committee whether they would support the chair's choice of counsel, and whether or not he had the power to proceed.

Senator Fischer said that he has researched this issue and the Chair of the committee has the authority to hire special counsel.

Senator Sturgulewski asked the chair why and how the committee would be needing counsel.

Senator Fischer answered that he felt the committee needs to pursue 1) what were the donations, 2) how they came to be, and 3) how the money was channeled, all in the context of whether or not it is good public policy.

Senator Sturgulewski suggested that Senator Fischer look into the direct professional services contract as a model for this contract.

Senator Rodey suggested Senator Fischer establish an indirect method of communicating with committee members to approve the chair's selection of counsel.

Senator Ray moved that the Chair have the ability to contact possible legal assistance for the investigation.

Unanimous consent was asked, and the motion passed by unanimous consent.

Senator Ray moved that the Committee chair be able to contact other members of the committee by telephonic device to select the counsel to be used for the investigation.

Senator Kelly objected to that motion.

Senator Fischer said he felt the committee would have no problems once it came down to specific names of potential attorneys.

The motion carried 3-2.

Senator Kelly moved that the Senate have joint meetings with the House State Affairs Committee in October.

The motion failed 2-3.

Theda Pittman, executive director of APOC, testified. See attached testimony.

Discussion occurred on APOC legislation. The committee requested a copy of the 1982 APOC bill for the next meeting.

Discussion occurred on the APOC budget.

Theda Pittman testified briefly on the APOC investigation of VECO.

Theda Pittman said it was less a matter of facts, more of a matter of law. It is an ongoing investigation.

Senator Kelly asked Theda Pittman if staff work was deferred or delayed in this matter?

He also said that it was my belief that VECO believed that their actions had been okayed by APOC.

Theda Pittman said that "yes, VECO had contacted her".

Senator Ray asked Theda Pittman if the contribution plan was proper?

Theda Pittman answered that "yes, VECO had contacted her, and that they had discussed several contribution plans in the context of a number of approaches".

Senator Kelly read a quote from a tape that says the APOC reviewed the plan and agreed to the VECO plan as described.

Senator Fischer said this type of discussion was inappropriate at this time, and asked Theda Pittman when she thought the investigation would be completed.

Pittman replied that she could not say at this time.

Representative Martin was then asked if he had any comments to make. He said that the committee should investigate not just the specific incidents mentioned so far, but also the purpose and present use of the political campaign contribution credit. He said he felt that the committee should investigate a number of contribution credits that have been awarded for contributions to groups that were not allowed by statute. He also asked the committee to review how PACs and other political groups raise and disperse their funds, especially in light of a partial public subsidy through the political campaign contribution credit.

Senator Fischer suggested that Rep. Martin give the committee a written statement on suggestions he might have for investigation.

Eldon Chriswell, VECO, representing employees of VECO, said he would like to know when they would be able to testify on their plan. He said that he would like to know if the deduction is legal or illegal. He also said that he is not sure if the contributions went to those we wanted.

Senator Fischer said that our committee cannot answer these questions now. They should be addressed to the APOC.

Senator Fischer told the committee next tentative meetings were scheduled on October 9 and 10 in Juneau and October 16-18 in Anchorage.

John Kerrigan, employee of VECO, testified to verify the statement of Senator Kelly, and that the tape defined what the intent of the plan so that VECO could operate within the confines of the law. The meeting with the APOC was held to avoid problems just like the one that arose today.

The meeting was adjourned at 3:20 p.m.

September 4, 1984

My name is Theda Pittman. I'm the Executive Director of the Public Offices Commission.

The Commission's major concerns are that statutory amendments be given full, fair consideration and that stable, adequate funding be available for public access to information and to assist the campaigns in complying with the law. Your interest in the public's right to information about those who wish to conduct the public's business and your support for protection of the public's right to know will be appreciated.

With respect to the existing statutes on Conflict of Interest and Campaign Disclosure, the Commission is presently recommending consideration of the following amendments:

- 1) An exemption from filing Conflict of Interest Statements for communities with populations of 1,000 or less, unless the community votes to impose the requirement;
- 2) Expansion of the list of public officials required to file Conflict of Interest Statements;
- 3) Increasing the campaign contribution limitation to \$2,000;
- 4) Increasing the threshold for disclosing contributors' names to \$250;
- 5) Reversing the prohibition on "expenditures before filing" and requiring disclosure of that activity;
- 6) Expansion of the requirements for political groups;
- 7) Establishment of reporting requirements for employers who perform payroll deductions for political contributions; and
- 8) Limiting the use of raffles, bingo, and monte carlo as fund-raising

APOC 9/4/84

devices by candidates and political groups.

Most of the Commission's workload is related to campaigns although in the last two years, issues related to standards of conduct have grown considerably.

In the ten years since the Commission's creation, campaign costs have risen at alarming rates. Statewide races doubled in value between 1978 and 1982. Legislative campaigns tripled during that same period. The Commission's resources have experienced limited growth.

In my opinion, those who have suffered have been those who tried sincerely to comply with the law, those who have run medium sized campaigns and those who have sought timely, detailed information from the Commission's files. Those who have benefited are those who have sought to stretch the law or to ignore it in clever ways.

The Commission has long known that it can not escape controversy; simply stated, its job is to regulate the volatile world of politics. Understanding decisions made by the Commission must be terribly difficult for those to whom politics is only the art of the possible. There will always be some who, when they neither understand nor agree with a decision, believe the Commission is playing politics.

When you are approached by such critics, I suggest you apply the following test to the information they offer: ask whether they were at any or all of the meeting at which a particular decision was made or ask how many Commission meetings they've ever attended. I've been to 25 or 30 Commission meetings in the last five years. I know how hard the Commission works to make reasoned

judgments, based on applicable law and the facts of a situation. The result? The Commission's work is frequently characterized as thankless. And yet it is still true that the public has the right to specific information about those who seek to conduct the public's business. Protecting that right is what disclosure attempts to do. Any assistance you can provide to improving that effort will be appreciated.

40,000

31.7 AVG / Senate Winner

Legislative Races -
Average Value of
Expenditures (EXP + NMC)

39.7

30,000

31.7 AVG / All Senate CA

27.5 AVG / House Winner

20,000

21.5 AVG / All House CA

10,000

6.5

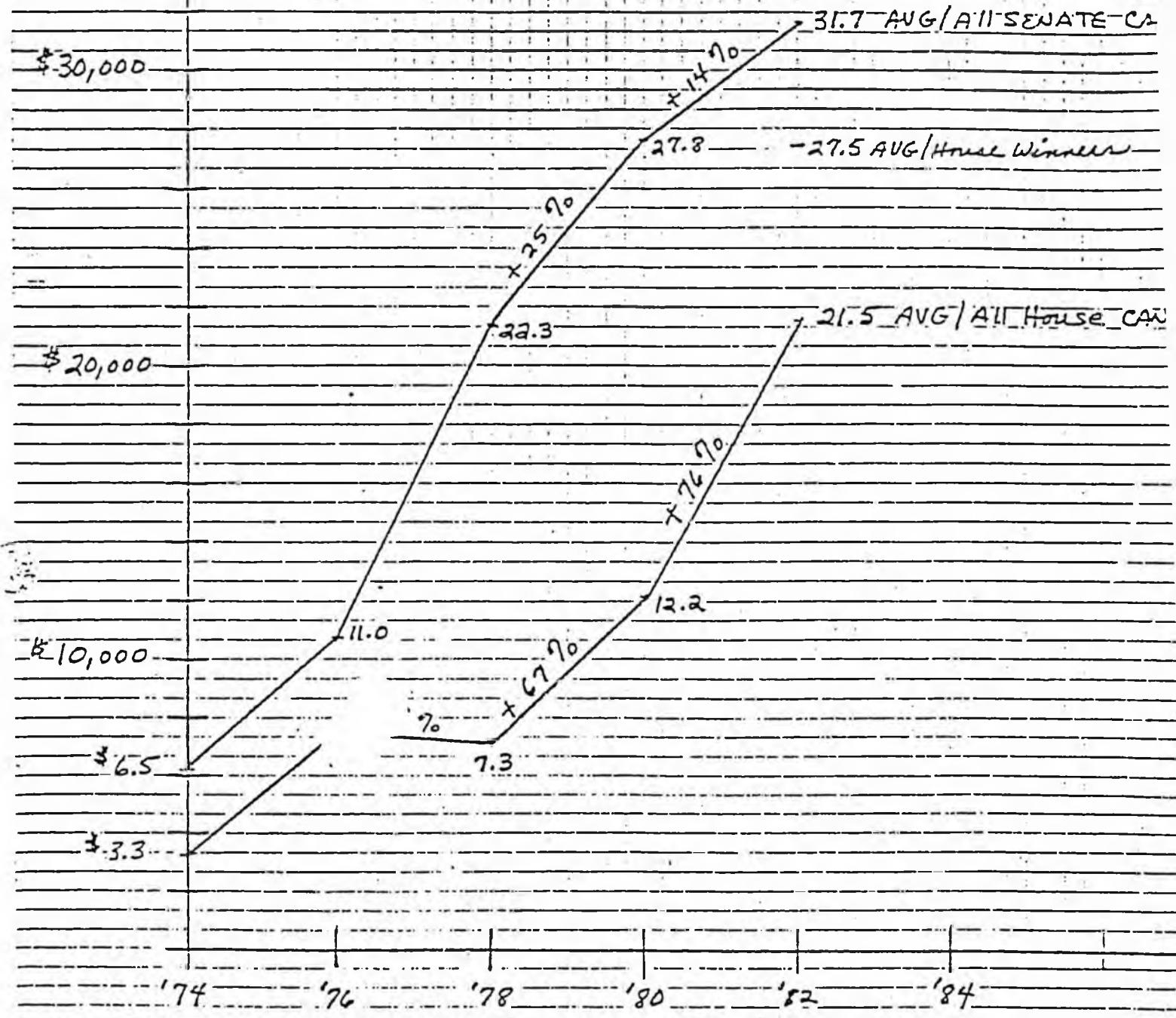
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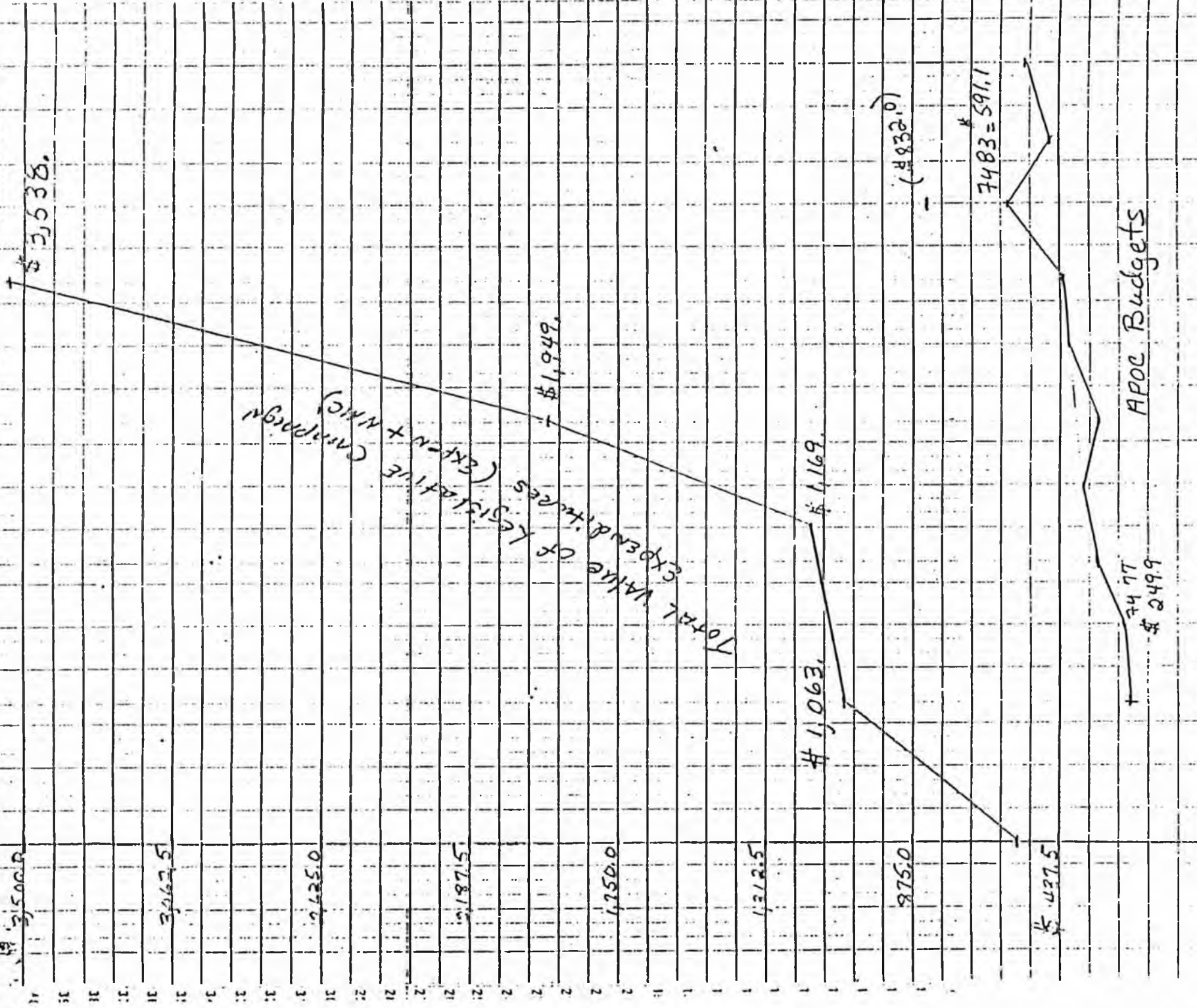
'74 '76 '78 '80 '82 '84

CAND. 171 166 158 173 187

Value OF EXPEN. (NMC) \$559 \$1,063 \$1,169 \$1,949 \$3,538

ALASKA Public Offices Commission - 2/7/84





YEAR	74	76	77	78	79	80	82	83	84
APOC Budgets									
EXPENDITURES									

APOC 9/4/84

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



October 9, 1984

To: All Senate State Affairs Committee members

From: Senator Vic Fischer, Chair
Senate State Affairs Comm.

Re: Campaign financing

Brief background

Over the past two years, Committee staff has been examining patterns and trends of campaign financing. Preliminary information presented for the September 4 meeting indicated a tremendous escalation in campaign expenditures and a parallel trend for increased contributions by special interest groups and large donors.

At the September 4 and 10 meetings, the Committee by split vote agreed to contract with counsel (Tim Petumenos and Jon Tillinghast of Birch, Horton, Bittner) to look at the VECO fundraising plan, the Governor's birthday fundraiser in Juneau, and related issues in order to illustrate some of the problems and public policy issues on campaign financing.

It has been made clear all along by the chairman and others that the Committee's investigations were not to be a witch hunt, they were not to persecute or prosecute anyone. The purpose was to support the general efforts of the Committee to determine what actions the legislature should consider to assure that political campaigns are financed and pursued in a manner consonant with the public interest.

Recent Events

During my absence from the state (Sept. 13 - Oct. 2), several events transpired. One member of the committee raised the issue of conflict of interest on the part of counsel due to Bill Bittner's activities in Democratic fund raising, a matter originally disclosed but apparently not fully recognized by all.

The FBI undertook an investigation of possible federal law violations on the part of participants in the Governor's birthday Juneau fundraiser.

The APOC staff report on VECO was completed, finding a series of violations and making a series of recommendations to the full commission.

While contract attorneys were making progress on the investigations, both parties being reviewed raised questions regarding the investigation and the persons involved. Accordingly, acting chairman Sen. Ray suspended the investigation and obtained an offer of withdrawal of services by committee counsel. This offer has not been acted on and is still in effect.

VECO also took exception to my playing any role in any investigation of VECO's political contributions or those of its employees.

Options for Further Committee Action

I believe it's appropriate for the Committee to review the situation and decide on further action to be pursued.

We are currently at the height of the biannual political season, and that complicates any attempt to deal with election laws and related issues. Some people will naturally object to the Senate State Affairs Committee investigations of campaign financing practices because of potential personal or political repercussions, or both. Any committee effort of substance will obviously bring screams of anguish and accusations of bias and wrongdoing. One party or another is sure to charge that any committee reports and conclusions are suspect, biased, fraudulent or whatever.

While so far as I am concerned, committee counsel's investigation has been totally objective and its further pursuit would be beyond reproach, the current political morass may undermine this effort and destroy its effectiveness. Unless the Committee stands behind the investigation by the attorneys, the value of continuing their work may be questionable.

If the Committee wishes to proceed with the investigation, it may want to consider adding co-counsel as a possible means of removing political questions that have been raised. Or, alternate counsel could be selected.

The following courses have been suggested:

- continue investigations and proceed with public hearing as planned
- drop the VECO and Birthday fundraiser investigations
- continue investigations but hold no public hearings on them
- except the offer to withdraw by present counsel and obtain services of other attorneys
- keep present counsel and obtain "neutral" co-counsel to deal with any sensitive political issues