

City won't match contributions between Portland City Council candidates for now

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The City of Portland's Small Donor Elections program has placed a temporary hold on matching contributions from candidates or family members of candidates made after Aug. 7 after learning that many candidates appeared to agree to quid-pro-quo donations to each other.

The primary benefit of those contributions was to help each other qualify for public funding, which kicks in for City Council candidates who receive at least 250 contributions from Portland residents and mayoral candidates who receive 750.

An email thread obtained by The Oregonian/OregonLive shows that at least 13 candidates explicitly agreed to trade contributions to reach the donor threshold to qualify for public funds. Candidates began soliciting donations from other candidates for that purpose on that email thread around Aug. 7. That prompted Susan Mottet, the director of the Small Donor Elections program, to put a temporary hold on donations made by candidates and their "associates" after that date pending further investigation.

Willamette Week was the first to report on the reciprocated donations.

"The temporary freeze is in place until the program has enough information to make legally sound determinations about which contributions are eligible to be matched and which are not," Mottet told The Oregonian/OregonLive in an email. Mottet declined to say how many donations as a whole or to individual candidates she has set aside as potentially ineligible for matching funds, saying she didn't yet have final numbers.

Mottet said donations "made in exchange for an item of value," including the promise of a reciprocated donation, are not eligible for public matching funds.

The strategy may also be illegal. Under Oregon state law, individuals cannot subject any person to "undue influence" — including giving or promising to give money — with the intent of influencing a person to contribute to a political candidate.

The secretary of state's Elections Division is currently investigating whether four candidates for City Council broke Oregon law by agreeing to trade contributions. The agency said the investigation could grow to include other candidates. Mottet said the city program referred the matter to the state because it is the only entity that can interpret and enforce state law.

An analysis by The Oregonian/OregonLive found that 69 candidates for Portland office gave more than 900 reciprocated contributions to each other this year, with more than three dozen candidates for Portland City Council and two mayoral candidates making at least 10 contributions to other candidates that were reciprocated.

Nothing prohibits those candidates from donating to each other's campaigns if they are doing so simply to support their fellow candidates. In fact, many candidates donated to each other months before candidates began requesting reciprocated donations on the August email chain.

However, the donations become problematic – and potentially illegal – when candidates are donating to each other under a promise that the donation will be reciprocated.

While most candidate-to-candidate donations made after Aug. 7 remain under the temporary hold, a portion has already been approved or denied for public funds, Mottet said. That’s because the city was required to decide by Sept. 25 whether City Council candidates had met the 250 donation threshold for matching money. Mottet said her office had to use the information it had available to make determinations on whether donations to candidates who were close to the threshold were eligible for public money.

“Where the program had to make these determinations before it had complete information, such as for pending certification applications, we reviewed evidence to determine whether there was an exchange, which would render the contribution unmatchable,” Mottet wrote. “The rest of the contributions are waiting for the program to have complete information before they are processed as matchable and not matchable.”

Mottet said the program won’t have complete information on which candidates donated to each other until mid-October because of a lag in when donations are reported.

Candidates have 30 days to report donations, and that timeline can be extended if the candidate receives a donation through a third-party like ActBlue, which may take a week to report the donation to the candidate, Mottet said. Since candidates had until the end of August to qualify for public matching funds, Mottet said that means the city program needs to wait until mid-October to have a complete list of the candidate-to-candidate donations it needs to investigate.

“The program is waiting until it has complete reports in October to process the contributions not related to certification applications,” Mottet said in an email. “Then we will continue our work reviewing information to determine which contributions are eligible to be matched and which were in exchange for one another and are not matchable.”

The Small Donor Election program has operated since 2020. It matches the first \$20 Portlanders give to participating candidates 9-to-1 with candidates for mayor receiving up to \$100,000 this year and candidates for City Council receiving either \$40,000, \$80,000 or \$120,000 depending on how many donations they received.

Large scale reciprocated donations between candidates weren’t evident under the program in 2020 or 2022, its inaugural years. The strategy became a viable option this year because voters are poised to elect an expanded three City Council members from each of four new districts through a new form of ranked-choice voting. That led to a massive 98 City Council candidates and 19 mayoral candidates jumping into the race, making it easier for candidates to get a significant number of donations from fellow candidates.

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