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3/21/2017

ATTN: House Committee on Rules

Chair Williamson & members of the committee,

My name is Sal Peralta. I am testifying on behalf of the Independent Party of Oregon and its 120,000 members statewide.

We understand that this legislation is generally intended to reduce the penalty matrix for some violations to encourage greater voluntary reporting of violations. Although we have questions about a few sections of this bill, the biggest concern relates to the conversion of campaign funds to personal use.

Our read of the bill is that it amends current law, which places a \$1,000 fine plus the cost of the transaction for an illegal conversion of funds to personal use, reducing the fine to 10 percent of the amount of the money that was converted.

[(a)] (A) \$1,000 plus the amount converted to personal use for each violation of ORS 260.407; or [(b)] (B) \$10,000 for each violation of ORS 260.555, 260.558, 260.575, 260.695 (1) or 260.715 (1)

(b) For each violation of ORS 260.407 in which the improper conversion of moneys for personal use is accurately recorded in statements of contributions received and statements of expenditures made that are timely filed under this chapter, the secretary or the Attorney General may impose a civil penalty not to exceed 10 percent of the amount converted to personal use.

We believe that this level of fine is not adequate. We have heard an alternate proposal of a 10% fine plus \$1000 penalty. We note that such a penalty guideline would impose a much greater burden on small violators than large ones. A person converting \$300 to personal funds would face a fine of \$1030 -- 3x more than the conversion whereas a person converting \$100,000 to personal funds would face a fine of \$11,000 -- netting them \$89,000 from the illegal conversion.

Respectfully,

Sal Peralta