

Approve Report re APOC Operations

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Operations, Capacity, and Recommendations

Introduction

This document was created by direction of the Alaska Public Offices Commission to respond to a recommendation in the report of the Legislative Audit Committee in 2015. Specifically, that report noted in Recommendation 3 that the “executive director should consider automating certain workload tasks as a way to obtain efficiencies and meet timelines”. The following information responds to that recommendation in several ways. First, it outlines the current processes the agency is required to follow by statute. Second, it makes recommendations based on the agency’s current situation which is somewhat different than when the audit was conducted; the budget has been cut by 48% requiring a decrease in personnel from 13.5 FTE to 8 FTE. This decrease alone affects how APOC conducts its work and how specific recommendations are made. Finally, an analyst/programmer was not hired until the very end of calendar year 2015. In the short time the programmer has been with the agency several long standing issues have been resolved with several others being currently addressed. Because the work environment has been changed so radically, the Commission assigned staff eight priorities from which to work based on the reduction in staff.

This brief analysis will focus on the seven priorities that the Commission has assigned its staff: 1. Direct Service to the Public, 2. Auditing Reports, 3. Notifying Filers, 4. Preparing Civil Penalty Assessments (CPA), 5. Providing Advisory Opinions (AO), 6. Investigating complaints, 7. Making referrals to the Attorney General (combined with #4 on Attachment 1), and 8. Developing and providing training. The reader is reminded that there are numerous other tasks to complete such as administrative issues including payroll, writing personnel evaluations, documenting expenditures, creating and tracking budgets, filing, documenting system deficiencies, holding meetings to share information, and other required activities that take considerable time. For instance the time involved in creating this report, well over 45 hours, does not fall under any of the categories assigned by the Commission. These other areas will be discussed briefly at the end of this document.

Throughout the document reference is continually made to the election cycle rather than a given year. The election cycle and the various other events that take place during the cycle period are illustrated on Attachment 1 to aid in viewing the period. It should enable the reader to see how much goes on during a statewide election cycle and that other elections fall within that extended period. Periods prior to or after the 2014 election cycle have not been attached for the sake of brevity.

While creating this report it became quite evident that very few of the tasks undertaken at APOC are stand-alone activities. This will be discussed at various points in the narrative below and is specifically illustrated Attachment 2. Because of the complex relationships of some activities different items addressed in the narrative have been color coded on attachments to aid in seeing how various activities interact.

1. Responding to Filer Inquiries or Direct Service to the Public—A Reactive Activity

This activity is required under AS 15.13.030(2). APOC staff is a resource for filers and understands that fielding questions prior to filing deadlines can be an effective way to reduce the number of complaints and fines. Staff is able to partially meet this requirement. As budget cuts continue to erode the agency’s finances the ability to meet this requirement will decline.

The election cycle for the 2014 state-wide election ran from May 2013 to April 2015, 24 months.

During this period there were also two state-wide municipal elections and two Anchorage municipal elections. Time in this activity peaks around filing deadlines and election dates and reaches low points immediately after elections. There are other smaller peaks during the state-wide election cycle because of the other elections occurring within that 24 month period. There has been a substantial drop in this activity after June 2015 when staff members were laid off and vacant positions remained unfilled because of fiscal constraints. The ability to provide this service to the level of 2014 and early 2015 is not anticipated with the current staffing level.

This activity is among the most time consuming at APOC. This task is also one of the most disruptive in that it is a highly reactive activity that takes staff away from other tasks at unexpected and inopportune times. While it does help to minimize reporting errors and complaints, it causes staff to break away from other tasks such as audits (discussed below).

The time where most service to the public takes place often coincides with the largest number of reports being filed—see the spring of 2014, September and October of 2014, and March 2015 on Attachment 1. This can affect the timeliness of report auditing. During the 2014 election cycle the highest level of service to the public generally occurs in the months immediately preceding an election. January and February of 2014 coincide with the need to file year-end/year-start filings for municipal elections, POET filings, dealing with fund raising while in session, and several questions about the various ballot measures and referenda on the ballots, group and lobbyist registrations, and the run up to the Anchorage Municipal election. The 2014 September/October months are post primary election, gearing up to the November general election, and dealing with the state-wide municipal election in October. The 2015 March level is indicative of the Anchorage municipal elections and the annual POFD filing deadline.

There are no 1 minute questions. It takes a minute to shift from what one was doing to hearing the question being posed by a caller. In a good number of instances the answer may be relatively straightforward, but the caller may not like the response and try to argue for another interpretation, or, they may genuinely not understand what staff is telling them. E-mail questions may be less interruptive, but often require more time than speaking to someone over the phone as everyone speaks faster than they write and writing cogently often requires a good deal of thought. Sometimes the caller may ask for a specific staff member who may not be best suited to respond to the queries taking further time. Finally, there are numerous instances of an e-mail being immediately followed up with a telephone call.

While some questions are responded to very easily, others may require considerable time to research a seldom used statute or regulation, or present a situation that has not been previously encountered. This is time well spent, but again, it is taken away from other tasks that are also a priority. There are also questions to which APOC cannot respond--forgotten passwords or usernames, treasurers who are no longer making themselves available to candidates or groups—and are matters that APOC staff are unable to solve. Questions are most often very specific in terms of content and context making FAQ sheets ineffective and personal contact most effective and time consuming. Because personal contact is the most effective it is difficult to automate this activity and staff is currently not always able to provide the level of service to which it aspires.

While much of the preceding is rather negative, there is one significant positive area that deserves to be highlighted. Administrative staff members have risen to the challenge posed by personnel shortage. The two law office assistants have taken on more routine questions and walked filers through all phases of reporting and enabled other staff to concentrate on the more complex aspects of the agency. Their work has been excellent and the agency would not be functioning at its current the level without their professional growth and efforts.

Recommendations

I have no recommendations regarding this process at this time. The best way to enhance the effectiveness of this activity would be to have more staff available. There is the possibility of assigning specified periods to answer phone calls, but this could take time from other priorities assigned by the Commission and make meeting this priority possible only through not meeting others.

2. Conduct Audits—A Planned Activity

Under AS 15.13.030(7) and AS 24.60.220(3) APOC staff is required to examine, investigate, and compare all reports it receives. While staff endeavors to audit every report, this is simply not possible, and has not been for some time. The agency can receive up to 8,000 reports during the course of a year and reviewing and comparing each report in a meaningful, professional manner is beyond the time available to staff given its other responsibilities. This task requires a very high level of concentration. Candidate and group audits are the most complex and require the most attention to detail. Lobbying audits can be complex and require significant attention, but often less so than candidates and groups. POFD audits are the least complex, but require comparison to the previous year to ensure complete reporting. In most cases staff knows when to anticipate a high level of activity at campaign filing deadlines, mandated report dates for lobbying, and the due date of annual POFDs. Other requirements such as 24 hour reports for candidates and groups, statements of contribution, and initial and final POFDs are less predictable. At the current staffing level the agency will not be able meet this statutory requirement.

Overall, time spent auditing tends to spike at two particular times: In March when POFDs arrive and staff works to keep up with the number of reports received, and at elections and year end reporting periods. March also happens to be in a year end reporting period.

Campaign Disclosure—Candidates and Groups

Currently, there are 1.5 FTE staff to audit all candidate filings and 1.5 FTE to audit all Group filings.

Auditing the reports of candidates and groups (CD) is probably the most complex and demanding audit activity. Some candidate reports are relatively simple—those municipal candidates who raise or expend less than \$5,000 during an election may be exempted from reporting making the review only for the exemption filing. At the other end of the scale are gubernatorial candidates who may have reports reaching several hundred pages each with hundreds if not thousands of transactions; reports of this magnitude may be filed multiple times during a given election cycle. Adding to the difficulty of reviewing the entries on these large reports is the ability of filers to amend reports after they are submitted. This creates an additional level of complexity to auditing these reports. Auditors are required to review a report submitted 30 days before an election, compare it to a report submitted 7 days before an election and make sure the information on the reports dovetails chronologically and fiscally with reports previously submitted. The number of transactions makes this a very detailed and time consuming activity.

During the 2014 state-wide election cycle there were 8,299 filings reporting 383,489 campaign disclosure transactions for candidates and groups combined. Candidates filed 4,076 reports with 47,415 expenditure transactions worth \$26,949,441 and 130,796 income transactions with a value of \$29,302,222— 178,211 total candidate transactions. Income transactions must be reviewed in detail to ensure that contributors have adhered to the aggregate contribution limits of AS 15.13 and to ensure that the names, addresses and employers for these contributors are properly noted. This means that each

transaction must be reviewed for names and address information and then aggregated for contribution limits. This must be done manually, adding time to the effort, as the electronic system will not do this for staff. Groups filed 4,223 reports with 205,213 total transactions with 15,672 expenditures worth \$51,676,506 and 189,541 income transactions worth \$53,059,023. The same process is generally followed for group audits as for candidate audits.

The ability to conduct audits which require so much detailed review is hindered by having to also provide high levels of direct service during the period when most filings are received. Reports must be reformatted and the data manipulated, not changed, but reorganized, to accommodate the level of review necessary to ensure meeting statutory and regulatory requirements. Sometimes, given the size of some reports, auditing a single large campaign may consume an entire work week. In these cases the math concerning the contributions and expenditures must be checked to ensure that all transactions are being reported.

The limiting factor for auditing candidate reports is the sheer volume of filings and the enormous number of transactions. Year-end reports often require a complete review of the preceding year to ensure there have been no prohibited contributions from exceeding limits, and that dispersals to POET accounts and future campaign accounts are made correctly.

This process could be somewhat automated to do much of the aggregation currently done manually, but would require significant programming time and testing. While the agency requested a replacement for PCN 02-1311 the analyst/programmer in August of 2015, after two failed searches earlier in the year, it was unable to place an advertisement until October 2015 as the Department of Administration reviewed the efficacy of divisions having their own IT resources. The level of detailed knowledge required to make the programming change will take time to amass in a position devoted full-time to the agency. If this work is to be done by a contractor or an intermittently assigned programmer from a central agency it will take much longer and cost more to accomplish as anyone assigned to the task must become familiar with the program and its structure before engaging in productive coding. The APOC programmer was hired in December 2015.

Lobbying

Currently, there is one staff member who conducts all audits that are lobbying related. In the 2014 election cycle 5,865 reports from lobbyists or their employers were filed.

The review of lobbying reports is two-fold. Employers of lobbyists file reports and then the lobbyists themselves file reports. These must be reviewed and compared to each other and earlier reports. In many cases these reports come at specified times in substantial numbers. Employers submit quarterly while lobbyists submit monthly while the legislature is in session and quarterly otherwise. Lobbyists nearly all register in January.

These audits are not as complex as candidate or group audits, but still require a certain amount of detailed review. Lobbying was the first area to engage in electronic filing and those filers are the most mature in this type of filing. Lobbying is the only area with required training. As a result of the experience with electronic filing and required training, lobbyists and their employers tend to have fewer errors and are more prone to filing late than making reporting errors.

It is highly doubtful that all lobbying reports can be audited by a single person. The current internal target is 80% of filings will be reviewed. While the goal is to have reports filed electronically, one part of

the electronic filing program was inoperative while the agency worked to hire a programmer. While this was the situation filers were required to submit form(s) 15-5A, the contribution of a lobbyist to a legislative candidate, via paper. In any system an exception creates a situation that may hinder efficiency and productivity. This is one such exception and it was submitted to ETS as a matter requiring speedy repair. The newly hired programmer remedied this situation within a week of starting work.

In this area comparing lobbyist reports to those of their respective employers is a time consuming task and a limiting factor.

POFD/LFD

This area has .3 FTE staff assigned to it, the executive director handles this area as time allows. The 2014 election cycle saw a total of 3,235 POFDs/LFDs submitted to the agency. While this is the least complex auditing activity the timing of auditing is important for this area as 50% of all public records requests deal with financial disclosure statements.

This is probably the least complex of the audit areas. Required information is specified and there is not a great deal of interpretation required. The annual deadline is March 15 each year, with initial reports required within 30 days of taking office and final reports within 90 days after leaving office. The rules for legislators are slightly different from other public officials.

With over 3,200 filings during the 2014 election cycle the required auditing is difficult enough for the agency with a full time person, with someone attending to this task as time allows APOC will not meet the requirements imposed on the agency. Audits being done now, in a slow period of the election cycle, are completed quickly with any notifications being delegated to administrative staff. Many of these current audits are for municipal candidates and require a review, a search for previous expectations and often the creation of new expectations. After the elections newly elected officials will need to provide an initial POFD and then have expectations created for the remainder of their respective terms. When the POFD cycle is in full swing, from January to March, a part time effort will quickly fall behind and filers will not be notified until significantly later of any issues. Because the executive director is doing the auditing and the period of high POFD submissions coincides with the legislative session and the executive director may be required to testify on pending legislation or explain the proposed budget, it is doubtful that conducting POFD/LFD audits quickly will be accomplished. Worse still, a filer may have a complaint lodged against them before the report has a chance to be audited, errors noted, and corrections made.

In some cases staff is not aware of public officials entering into or leaving service. Those officials required to submit a POFD span from very small municipalities to the governor's office. Staff is well aware of legislators entering or leaving office from the media. This knowledge can be helpful in seeing errors on LFD filings and helps staff to advise legislators of errors and help them remedy those errors prior to a filing deadline.

The same is true for those public officials that staff know are in office and from whom to expect a disclosure. Staff is able to provide a reminder, track those who have filed, and advise filers of errors hopefully before a deadline. Having expectations is a key to providing timely information to all filers.

In the case of municipal filers staff may not even know when a municipal official is elected to office and then cannot remind them of the requirement to file. In some cases staff asks for verification that someone has received no reportable income for the period of the report. Many municipal filers are able to submit their report on paper and do so. This creates a larger time commitment on the part of staff as the paper reports must be scanned and then entered into the agency database. Audits of paper filings

also take longer as they are sometimes difficult to read and in a somewhat different format than electronic filings. Because filers are transitory, and many people enter or leave office without APOC receiving any notice, staff cannot definitively say that all those required to file a financial disclosure statement are doing so.

The current electronic filing system does help in that it ensures that forms are completely filled out by not allowing a filer to go further if an area is incomplete or incorrectly filled out.

There are two limiting factors in this area. First is the need to compare from previous years or from earlier reports. This can be time consuming. Second, unlike other areas, is the need to provide two notices of deficiency to filers. This can lead to long delays in resolving a complaint or civil penalty.

The agency is not able to meet the auditing requirements for POFD/LFD filing as currently in statute due to staffing limitations.

Other Auditing Concerns

Auditing activity leads into other activities including notices of deficiency, civil penalties, and occasionally referrals to the Attorney General. In some cases an audit will lead to a telephone call to a filer to deal with some issues which become a different activity--service to the public. Audits can also lead to complaints or even referrals the Attorney General when filers do not take the advice provided by staff.

Some audits show real anomalies. For instance, a group shows several thousand dollars of expenditures, but no income/contributions. Staff notifies the group of this and attempts to be able to provide some level of disclosure so the public can have access to the information regarding contributions. This could lead to a complaint.

Staff endeavors to remind filers that a filing deadline is approaching. If a filer has entered an e-mail address with a typographical error they will not receive the reminder. For groups or candidates if the person responsible for filling out the report has changed they may not get the notification. If new municipal or state officials come into office and APOC is not notified they will not receive a reminder.

Recommendations

- A) Staff will continue to audit and send filers letters that list errors and advise filers to correct the errors. However, staff will not follow up on these matters as staff does not have sufficient time to revisit every filing that has been audited.
- B) The auditing letters sent by staff should be public documents available for the public to review, follow up on, and potentially file complaints. Staff is not statutorily required to file complaints.
- C) Staff currently sends numerous hard copy letters to filers after their report has been audited. Sending these letters via e-mail only is faster and conserves resources used in mailing such as paper and postage.
- D) The Commission should make all POFD filings electronically available to the public not just candidates, incumbent legislators, the governor, and lieutenant governor. This would save work for administrative staff and conserve paper and postage by no longer providing paper reports. The other aspect of this is that some potential public officials will not wish to have their financial status posted on the internet available for everyone to see.

- E) Parts of this activity can be automated by enabling the electronic filing program to automatically aggregate contributions by each contributor, but this would require very stringent rules on providing contributor information. Robert Jones would have to be Robert Jones every time, never “Bob”. Robert Jones in Anchorage would have to be specified from Robert Jones in Fairbanks. This would be a significant programming effort and an effort to filers as well as they would be required to be able to separate the two Robert Jones on every filing.
- F) Revise the statute that requires every report be reviewed, investigated and compared in some way (AS 15.13.030(7)). Possibly only review those filers who have had a complaint or CPA within the past 3 years, or past election cycle, or maybe just first time filers.
- G) Rather than spending large blocks of time auditing large, complex campaign reports staff could use bank records to compare to campaign reports for a level of “gross number auditing”. If those reports are considerably different a more detailed audit could be conducted. This could save time in reviewing the large campaign reports that take up to a week to complete.
- H) Staff could conduct less extensive reviews and look only for “red flag” issues. If no “red flags” are present then the audit is considered sufficient and completed.
- I) Remove the requirement for two notifications to POFD filers to bring the process into greater congruency with other areas.
- J) If the statutes cannot be revised staff will only be able to meet the statutory requirements of auditing if more staff are hired.

3. Create and send notices of deficiency—A Planned Activity

Notices of deficiency are sent to filers who are somehow deficient in filing; i.e. the report is late, incomplete in some manner, or inaccurate (2 AAC 50.850). This can come before or after auditing. Late reports are the easiest to identify via expectations kept in the electronic filing system. Even though staff sends out numerous reminders to filers, as this has been the unwritten policy of the Commission, there are often late reports for any variety of reasons. A notice of deficiency is a form letter that notifies a filer of a report that is in some way delinquent. These letters are sent out if a report is 10 days late or as soon as possible when a discrepancy is noted. For POFDs another is sent out 15 day later. (2 AAC 50.850(c)-(h))

A notice of deficiency is predicated on something being wrong, generally a late report, and cannot be created and sent if there hasn't been some human intervention into the reporting system. Each notice would be different depending on the deficiency and type of report. The current system does not notify staff of an unfiled report at the deadline. Even if this notification could be programmed, it would only work for unfiled reports. Human intervention would still be required for inaccurate or incomplete reports.

Staff cannot definitively state that all required notices of deficiency are sent. As previously noted staff is unable to audit every report filed or to know if every individual required to file a POFD actually does so. Without completely auditing every report it is highly doubtful that all required notices are being sent. The limiting factor for this activity is the sheer number of reports and the small number of staff members.

This is a regulatory requirement in 2 AAC 50.845(b) and 2 AAC 50.850 as well as a statutory requirement (AS 15.13.030(6)). This is a time consuming activity in that each notice is somewhat

different even within the same area of law depending on what is wrong with a given report.

Recommendations

- A) Cease sending notices of deficiency for reporting errors as these would be covered in audit letters, making the notices redundant.
- B) Revise the electronic filing system to notify staff of unfiled reports on a particular due date. This would have to be customized for a wide variety of reports in each area of law.
- C) Send only one late notice rather than the two currently required by 2 AAC 50.850.
- D) Decrease the number of reminders to file to one for each filing type 15 days prior to the reporting deadline. For instance the annual POFD reminder would go out on March 1; the reminder for the 30 day group and candidate reports goes out 15 days prior that due date.
- E) Amend or repeal 2 AAC 50.850.
- F) Seek to have the statutory requirement for certified mail changed to first class mail to save money, or send the notices by e-mail only to conserve postage and paper.

4. File Civil Penalties—A Reactive Activity

Civil penalties are assessed to those who submit reports that are late or that contain errors.

The agency has only been recording time spent on civil penalty assessments (CPA) since January 2015. Even in this short period some trends have become evident. This activity tends to spike just before commission meetings (see January and April 2015 on Attachment 1). Most penalties are considered at Commission meetings and the vast majority of appeals regarding staff assessed penalties are received just prior to the meeting and final orders are required to be sent within 10 days of the Commission's decision.

Civil penalties are often associated with reports that are filed after a specific deadline. As the deadlines are well known it is possible for staff to know what filings are late across the spectrum of laws APOC administers. Filers are notified of a late filing and that a penalty accrues until the report is filed, or, in the case of a report with missing or invalid information, until any discrepancy is corrected, and provided information about appealing the penalty if they so desire. The penalty itself is not calculated until a specific total can be determined; i.e. the report is filed or a discrepancy is corrected.

After a civil penalty is assessed the recipient has three options: pay the assessed fine, ignore the assessed penalty, or appeal the penalty via a specified process. Many pay the penalty, particularly when the fine is relatively small. Those who ignore the penalty and do not appeal are generally referred to the Attorney General or have a complaint filed against them (see below).

Those who appeal the penalty submit an affidavit of appeal enumerating any mitigating factors or reasons why the penalty should be reduced or waived. Staff reviews the appeal and creates a recommendation that is submitted to the Commission along with the penalty and the appeal materials. The recipient of the penalty is then provided all the material and notified of the date and time the Commission intends to consider the penalty so that they may provide any other material to the Commission before it makes a decision. Creating these letters and reviewing an appeal, considering the information contained in an appeal, and then creating a formal recommendation for the Commission to consider takes a significant amount of time.

Once an error identified by staff has been corrected the filer is sent a letter notifying them of the penalty and its amount. The filer then submits an appeal. Staff reviews the appeal and makes a

recommendation. Finally, the appellant is notified of the date and time of the meeting where the matter will be considered. A total of four contacts are made on the same matter if a filer submits an appeal affidavit and this does not take into account the potential for numerous telephone or e-mail contacts between staff and the person involved. All of these contacts are made via certified mail which entails considerable costs. This level of contact and time commitment affects all functional areas of the agency and generally takes place approximately a month before a commission meeting.

Recommendations:

- A) In the interest of providing the best possible review the Commission has taken materials after deadlines. Staff understands the reasons for accepting late materials. However, in the interest of efficiency and in keeping with the spirit of the legislative audit staff respectfully recommends that the Commission no longer accept materials submitted after a deadline. This will enable penalties to be processed more quickly, keep some from returning to the Commission multiple times, and enable staff to deal with penalties more efficiently.
- B) Staff recommends that the current regulations process be moved forward with all due deliberation. The recommendations in that package will help to streamline the CPA process and enable staff to conduct this business more efficiently.

5. Advisory Opinions—A Reactive Activity

Advisory opinions are addressed in AS 15.13.374 and 2 AAC 50.840. Responding to a request for an advisory opinion takes precedence over other work because a draft must be completed within 7 days of receiving a complete request. In reality this is more truly a four day turnaround since the draft opinion must be reviewed by the Department of Law.

Advisory opinions are meant to provide advice on issues that may be unclear and may not have been previously encountered. Each one is a new effort. This activity is also time consuming in that statutes, regulations, previous advisory opinions must be reviewed, as well as any applicable complaints and civil penalties. The short turn around period makes this the sole project a staff member can work on at a given time. Only the most basic gathering tasks can be delegated to others. Initial document review and drafting must be done by the same person for reasons of continuity. Only after an initial draft is complete do others review and comment before sending the draft to the Department of Law.

Staff is not able to predict when an advisory opinion will be submitted. Staff is similarly unable to predict the scope of such a request. During the 2014 election cycle, a 24 month period, 14 of the 27 advisory opinions requested were asked for within 10 months of the general election. Some requests are relatively simple with a single question while others have contained up to 20 loosely related questions. Each question must be researched and commented upon, although hypothetical situations are not addressed. This is a highly reactive activity.

Responding rapidly to requests for advisory opinions is something staff should, and does, exert every effort to achieve. Even more important is providing reliable advice as it gives guidance for those participating in the electoral process and protection for possible complaints. While speed is important, accurate and comprehensive responses are even more important. If speed is the controlling factor the old saying of, "You want it bad, you'll get it bad" should be kept in mind.

Recommendations

- A) Revise AS 15.13 374(c) to reflect a 10 working day turn around period as proposed in APOC's 2015 proposed statutory revisions submitted to the Department of Administration in 2015.
- B) If the context of a request permits, enable staff to respond with previously written advisory opinions rather than writing new ones. This enables the requestor to receive a response quickly and allows the staff to recommend that the Commission expand a previously written and approved advisory opinion to fit other specific circumstances.

6. Complaints—A Reactive Activity

Complaints generally arrive without notice. In looking at the representation of agency time and events on Attachment 1 the number of complaints tends to ramp up in the September/October time frame of the state- wide municipal election, with some clearing taking place at the November Commission meeting. The numbers ramp up again in January/February with post-election complaints, and decrease after the June meeting only to increase again with the state-wide primary election in July/August. What cannot be seen on Attachment 1 is the large number of active complaints in January of 2013 (9) which were hold overs from the 2012 state-wide election cycle. In this context active complaints means complaints filed with and accepted by APOC and not resolved through Commission action. From January 2013 to August 2013 the number of unresolved complaints decreased to three. While this may seem like an extended period to resolve complaints there are many instances where parties are unable to meet or provide information. In these cases there are agreements to extend deadlines approved by the Commission; or requests for information or other materials may simply be ignored by respondents extending the time required to resolve the complaint. The number of active complaints jumped to seven in October 2013 as the state-wide municipal election took place. The number decreases again until August 2014 when the state-wide primary election took place where the number jumped to seven. Complaints were resolved until there were only three active in May 2015 when the number jumped to eight in June 2015 just before the 2015 municipal election. As of January 6, 2016 there are two active complaints; one to be heard at the February 2016 Commission meeting and another to be heard after the legislative session.

As the number of active complaints varies so does the amount of time spent working on complaints as seen on Attachment 1. However, the time devoted to complaints tends to spike near elections, when the greatest number of reports are being received (except for the March POFD deadline) and when service to the public is often at its highest levels. While not specifically related, the periods of high auditing time and periods of high complaint activity are generally concurrent.

Even though there were numerous Commission meetings held during the even numbered years of the 2014 election cycle, it was not always possible to resolve complaints quickly. Even during the early portion of the 2016 election cycle, a slow period in the build up to the next election, it took multiple meetings to enable the Commission to resolve many of the existing complaints from the 2014 election cycle.

While staff can assume that more complaints will come in at times close to an election, whether they are accepted or not and their level of complexity cannot be assumed. Some complaints are relatively simple and straight forward with staff and the respondent amicable to a consent agreement. Consent agreements save considerable time and resources in terms of investigatory time and research. Other

complaints may have several allegations in them and may not be suitable for discussing a consent agreement. These complaints require much more time to investigate and draft a staff report.

The basic timeline for a complaint is as follows with the maximum number of days noted, the process could go faster:

Complaint arrives at APOC

- a) Day 1--If expedited the Commission must rule on expedited consideration within 2 days, if accepted for expedited consideration a hearing must be held within two days, if heard an order must be provided within one day of the hearing (AS 15.213.380(d));
- b) Day 1--If accepted for regular consideration,
 - a. Day 2--Staff shall accept or reject the complaint no later than one day after receiving the complaint (2 AAC 50.870)
 - b. Day 7--Staff shall notify the respondent within seven days of receiving the complaint (AS 15.13.380(e));
 - c. Day 15--The respondent may respond to the complaint within 15 days of notification (AS 15.13.380(e));
 - d. Day 30--Staff shall provide a report of the investigation into the complaint to the Commission, respondent, and complainant within 30 days of accepting the complaint (2 AAC 50.875(c));
 - e. Day 40--The respondent may file a response to the report within ten days of sending the report to the respondent(2 AAC 50.875(d));
 - f. Day 55--The Commission shall hold a hearing on the complaint not later than 15 days after the respondents response is due (AS 15.13.380(e));
 - g. Day 90---If the Commission does not complete action on a complaint within 90 days of the complaint being accepted the complainant may file a complaint in Superior Court (AS 15.13.380(h));
 - h. Decision +10 (Approximately Day 120)--The Commission shall provide an order within 10 days of the hearing;
 - i. Day 150 +/- --The Commission's decision may be appealed in Superior Court within 30 days of the order being issued.
- c) At any time during the process outlined above either party may request to negotiate a consent agreement to simplify the process, request a waiver of deadlines for good cause, or request the hearing be overseen by the Office of Administrative Hearings.

I have no recommendations regarding this activity at this time.

7. Referrals—A Reactive Activity.

A referral to the Attorney General is a written recommendation by staff to the Commission explaining the violation, the steps that staff has made to contact and convince the respondent to submit a report, amend a report, or pay a fine. While the format is similar between laws, each case is somewhat different and must be written separately from any other referral.

A referral to the Attorney General is a last resort measure. By the time a filer gets to this point s/he has already been notified of a delinquency, potentially been audited, been subject to either a CPA or complaint, may or may not have appealed a CPA (most likely did not pay said CPA), or some other matter that has not been attended to in some manner. Getting to this point has already consumed a good deal of staff time and effort and multiple contacts or attempts at contact since the filer may decide to not accept staff's attempts at communication. This is APOC saying that the filer is intent on not complying with the law or a Commission order and refers the matter to the Attorney General.

Because staff attempts to work with filers and have them comply with the law, this activity often peaks in the weeks preceding a Commission meeting when it becomes clear that a referral is the only route remaining for staff. Staff cannot predict what level of effort referrals will require, if any, from meeting to meeting. Each referral requires a Commission decision.

I have no recommendations regarding this activity at this time.

8. Prepare & Conduct Training—A Planned Activity

Preparing and conducting training, while extremely valuable to filers, staff, and the general public, is among the most time intensive of any staff task. Training consists of two areas of expertise, the subject matter itself—one of the particular laws administered by APOC, and how to navigate the electronic filing system.

Some filers are not technologically adept and sometimes fight the need to file electronically. They often require considerable coaching to navigate the system as it is a foreign experience for them. This is understandable, but generally a significant time commitment for staff.

Creating an understandable presentation takes a great deal of time. Providing training on the subject matter—POFD/LFD, groups, lobbying, and candidate disclosure—is well within the scope of staff's ability. While staff works with the material every day and in a variety of contexts, putting together a lesson plan for a single presentation that is digestible to the general public and can be completed within a reasonable time frame of one to two hours is not as easy as it sounds. Blaise Pascal once apologized to a friend for writing a long letter because he did not have time to write him a short one. The same holds true for a training presentation. The more time put into the effort before presentation the more effective the training will be.

The presentation itself must balance the system and the subject matter. Using the technology must be part of the lesson, but the major purpose is to provide information about the laws and how to report so that filers can report accurately and timely. In preparing the POFD training material it took a full week of time to prepare a lesson that shows both the technology used and the information to be reported in a reasonable manner. After that two independent readers (staff members not involved with POFDs) provided numerous recommendations to make the presentation more easily understood and comprehensive. In all the presentation for what could be considered the least complex reporting area took well over a month to complete, and engaged three staff members, for electronic filing only. Then, since POFDs may be filed on paper in specific circumstances, another presentation for paper filers had to be created in a different format taking another full week. All of this time takes away from other equally pressing requirements.

The presentation must be reviewed multiple times. A review is necessary by the presenter each time

there is a training session. If there are any statutory or regulatory changes a review must be conducted and the material possibly changed. If a question is asked repeatedly, a revision must be made to the material. While no hard data exists concerning pre-training review, it is safe to assume that before each training session several hours are utilized for review purposes.

While training sessions are scheduled for specific periods, POFD uses one hour, others go for as long as two hours, the time involved prior to the session involves other staff members. The room has to be set up, materials prepared, technology checked, and people are not always on time. In general attendees stay after the session to ask questions adding time to the session for the trainer.

The attendees complicate the matter. Some are attending in person while others attend via phone or a web interface. The differing audiences for the same presentation make for a more difficult session as someone not physically at the training may not be able to hear everything or have the same level of attention. Questions from one group (in person or distant) tend to detract for the experience of the other. Ensuring all attendees understand what is being presented is sometimes difficult for staff. Some may quickly grasp the technological aspects of the matter while others absorb the reporting requirements faster. Each point may require multiple explanations.

During the presentation there have been instances of disruptive attendees. These people make the presentation go slowly and do little to improve learning. Disruptive behavior may be a combative attitude, an unwillingness to listen, or a desire to ask particular questions concerning a point or “pet peeve” not related to the topic at hand. This type of behavior is more likely to occur when the group is smaller.

For those attending from a distance poorly performing internet connections, poor phone connections, or other technological issues detracts from the training and add time to the presentation. In the past staff has tried to bring the training to other areas of the state, but budget cuts have precluded this travel. The travel also took time away from other activities.

Finally, after the session staff has noted that telephone calls and e-mail questions generally increase for a few days. This is a good thing.

At this time only training for lobbyists and employers of lobbyists is required by statute. In some instances while an employer of a lobbyist attends training and passes the test, the actual work of completing and filing the report is delegated to someone else who has not had the benefit of any training. Training for the other areas of law is voluntary or occasionally required by the Commission in consent agreements or final orders after a violation has occurred. It should be noted that lobbyists have very few complaints filed against them; this may be due to the mandatory training required by statute.

Is training effective? Yes, it appears to be effective in that civil penalties appear to be on a generally decreasing trend after the major training effort was started in 2012. There has been a generally decreasing trend in the total number of CPAs assessed particularly after the major emphasis in 2013 and 2014. The large number of 2014 CPAs results from a very active state-wide election with many groups participating for the first time and not attending training. The effect of enforcing new laws and regulations is apparent as that election was the first to exercise new laws regarding group disclosure concerning referenda and ballot propositions. The decline in 2015 is partially due to a less active election period.

Recommendations

1. For training to be truly effective it should be required for first time candidates, new group treasurers, new treasurers working for candidate campaigns, and for those being appointed or elected into offices that require financial disclosure reporting. A brief presentation on reporting dates and the major reporting topics would drastically reduce the number of civil penalty assessments levied due to technical violations or late filings. The mandatory training for lobbyists and employers of lobbyists and the very small number of lobbying related complaints make this point.
2. Increase travel funding so that staff can go to different parts of the state to provide face-to-face training. Some filers are not technologically proficient. It is helpful to work with these filers face to face.
3. Provide funding (time mostly) and support (ETS in the absence of an agency programmer) to create an online training program for all areas of APOC law. This will provide greater on demand access to training materials and enable many to use the on line materials at their leisure rather than carving out time to attend a training.

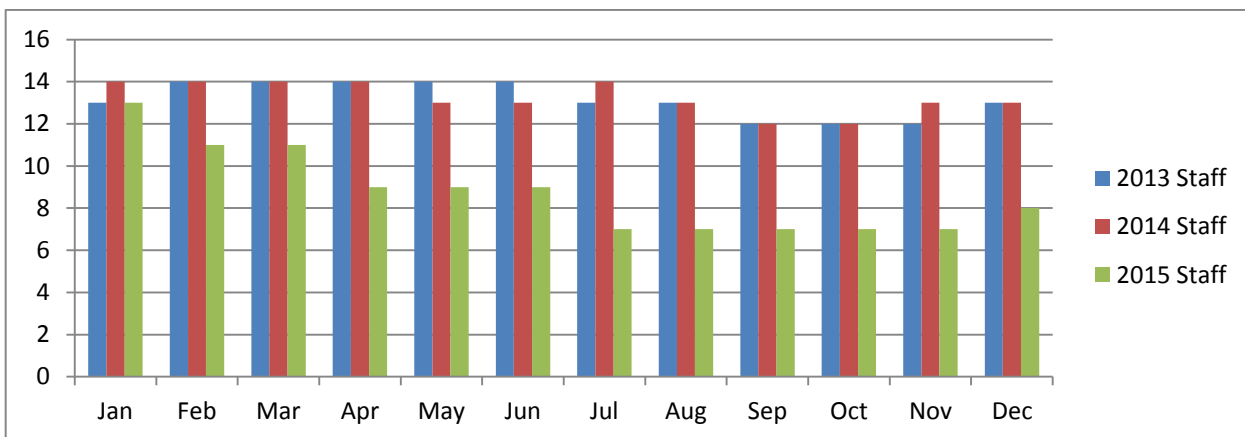
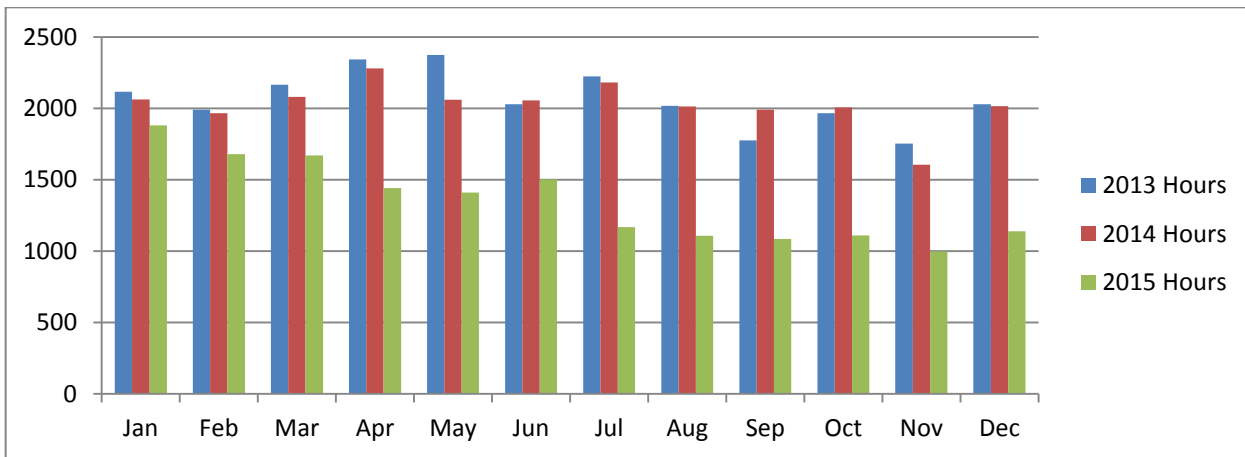
HOW DOES ALL THIS FIT TOGETHER

That these activities are all intertwined is sometimes overlooked. Most importantly, one should be mindful that none of the activities APOC staff engages in should be considered as standalone efforts; all are related to one another in some way. Responding to a question may lead to an advisory opinion. An audit may lead to a notice of deficiency which may become a civil penalty assessment or a complaint, which could turn into a referral to the Attorney General. All audits result in some type of notification to the filer from a letter enumerating errors to a simple letter stating that the report has been audited and it appears to be compliant. While training has been greatly reduced from previous years for budgetary reasons, training usually leads to an increase in questions via phone calls and e-mails which starts the cycle of audits, advisory opinions, civil penalties, and other actions over again.

Some priority areas experience particularly high levels of activity at specific times. For instance, Notifications to Filers are generally peak in the latter part of the first quarter of the calendar year. This is because POFDs come due in March, Year-End reports are due in the first quarter, group and lobbyists registrations are due in the early part of the year, and the Anchorage Municipal Election is beginning to ramp up at this time. The activity for CPAs peaks 30 – 60 days before a commission meeting. Auditing of reports tends to suffer during periods of high complaint activity or around commission meetings.

Examining the other areas of APOC operations leads to several interesting observations. It should be obvious that the number of hours available to work is directly related to the number of staff members available and it is interesting to note how the level of activity measured as the percentage of total staff time on various activities has changed over the past three years. The relationship between available hours and the number of staff is illustrated in Figure 1. The number of staff available, particularly in 2015, is a direct reflection of the budget cut sustained by the agency.

Figure 1
Comparison of APOC Total Hours Available and Number of Staff Members 2013 - 2015



Source: APOC Records

Many activities that are not among the priorities listed by the Commission are required to make the agency run, but are not the work contained in the Commission assigned priorities. As a result the activities assigned as priorities are not always the activities that occupy the largest portion of staff time. Activities such as meetings, filing, conducting research, and just “other admin” take up considerable staff time.

Because so much of APOC’s efforts are geared toward statutory requirements, any decrease in staff has significant impacts on how time is managed. The agency was very fortunate that there were fewer complaints and advisory opinion requests during 2015. Those activities would have had a significant impact on the level of auditing that could have been accomplished. As the year turned out, the low level of complaint and advisory opinion activity enabled staff to complete a high number of audits. In 2016 there will be a state-wide election as well as multiple controversial ballot proposals. This means potentially more complaints and advisory opinion requests and more reports to be filed; the result will most likely be a lower number of reports audited.

There are two matters to keep in mind when reviewing what has occupied staff; the number of staff available which will change the percentages, and that staff only engages in some activities when necessary, for instance working on complaints or advisory opinions.

Figure 2
Comparison of Time Spent on Selected Activities, 2013 – 2015

Priority	2013	2014	2015	Top time activities	2013	2014	2015
1. Direct Service	12.93% 3198	15.16% 3717	12.98% 2375	1. Other Admin	16.63% 4115	19.03% 4667	18.81% 3442
2. Auditing	6.72% 1662	5.47% 1342	8.87% 1624	2. Direct Service	12.93% 3198	15.16% 3717	12.98% 2375
3. Notifications	4.03 998	3.96 971	3.01 551	3. Filing	9.03 2235	7.58 1858	8.87 1624
4. CPAs	---	---	3.68 673	4. Meetings	7.49 1852	7.24 1775	6.99 1238
5. Advisory Op	.99 245	1.44 352	.15 21	5. Auditing	6.72 1662	6.28 1540	4.72 864
6. Complaints	2.74 677	3.31 811	1.91 350	6. Research	5.25 1300	5.47 1342	4.18 764
7. Outreach	5.09 1260	2.94 721	1.59 291	7. Outreach	5.09 1260	4.32 1059	3.68 673
Total hrs yr	24742	24522	18299		24742	24522	18299
Hours listed above	8041	7914	5885		15622	15958	10980
% of total hours	32.5	32.28	32.16		63.14	65.08	60.01

Source: APOC Records

In 2015 because there were fewer staff members the total number of hours worked for the year dropped by over 6,000 hours or 25%. This means if a percentage increases between 2014 and 2015 there may not have been more time devoted to the task, but that the same level was maintained by fewer people. For instance, in the figure below it appears that the level of effort devoted to auditing doubled between 2014 and 2015 when viewed as a percentage. Yet, the slight increase in total time was only about 300 hours or about 17%.

What are these other activities—“Other Admin”, filing, meetings, research, commission, and correspondence?

Other Admin is all those small other administrative tasks that it takes to keep any agency running. Filling out and collecting time sheets, leave slips and other minor personnel related items. These may not appear to be large time items, but when everyone in an eight person agency spends 15 minutes on this during a single day that is 2 hours of that day taken up with this activity. Other tasks that are grouped under this rubric include making bank and mail runs as well as processing the mail. Processing mail is a

daily activity which may take only a moment or could take up to 30 minutes; mail runs are necessary when large volumes of certified mail (required by statute) must go out; bank runs generally occur weekly, more often when large checks or large numbers of payments come to the office. Taking in payments and writing receipts also take time in this category of activity. Organizing work and calendaring work takes considerable time. Planning when to accomplish specific tasks in light of statutorily required timelines which may fall on a weekend or holiday and taking those timelines into consideration with other work (which may have other required timelines), making reminders as to when to expect documents when working on multiple cases, and timing tasks for presentation at Commission meetings is not a simple operation. Other tasks in this area include small filing, cleaning out unrequired e-mails, and working with DOAIT and ETS also come under this category.

Although the agency has moved to greater electronic submission of reports, there continues to be the need to file materials. Some filings continue to be submitted by paper. After years of paper reporting staff is getting to a point where many old submissions are now being filed properly and electronically which requires staff to scan all those documents, label them, and then place them in appropriate files on the publically available computer drive. This is very time and detail intensive work where the time to develop a filing system is as important as actually filing the documents.

Developing the filing system involved considerable discussion among staff which took place during meetings. There are a number of different meetings that staff participate in, general staff meetings where things such as the filing system are discussed and developed, investigation meetings where the status of and actions relating to any ongoing investigations are briefed, meetings with the Department of Law, or with filers, or with those involved with complaints are also included in this category. Sometimes commission meetings also fall under this category. These meetings are very important to the overall efficiency of the staff in all of its activities as ideas and experience can be traded.

One of the major items traded at meetings is the results of research. Research is finding an answer for a filer, researching a statute regarding a complaint or AO, reviewing previous complaint and AO decisions to see how the Commission ruled, and sometimes trying to anticipate questions. Often times research will cross functional areas or have something related to another area. Discussing this information at staff meetings can help to decrease the total time spent researching as results can be shared. These discussions are also good training opportunities for staff as we prepare for Commission meetings.

Time spent directly supporting the Commission comes from preparing for Commission meetings, the meetings themselves, the product of the meetings including preparing and distributing the orders directed by the Commission, responding to questions and completing tasks assigned by the Commission, and the various communications between the staff and the Commissioners. The majority of time classified as directly supporting the Commissioners occurs in the months leading up to the various meetings as staff completes writing documents and preparing brief notes and in the month directly after a meeting as orders are completed and distributed. Some tasks, such as completing this analysis, take place well after meetings and during the periods between meetings. The total time spent in these tasks is generally higher during even numbered years when there is a state election.

Like Commission time, the time devoted to correspondence is also higher in even numbered years, but has increased in 2015. The increase in 2015 is due to the emphasis on conducting audits and the outcome of the legislative audit. Staff is trying to ensure that all filers receive notice that the report they have submitted has been reviewed by staff. Previously, POFD filers were not notified that their reports were audited by staff. During 2015 POFD filers were notified that their reports had been audited. Staff hopes that this will lead to increased compliance as filers see that their submissions are reviewed. This activity

has been expanded as the results of the legislative audit noted that not all audits could be accounted for and this will help to show that audits have been completed.

The agency has numerous statutorily defined duties in addition to all the prioritized work and other tasks listed above. Budget cuts, while understandable in light of the state’s fiscal condition, make complying with all these requirements difficult at best. These statutorily-defined duties and how the agency is going to be able to discharge those duties are noted below. Green notes that the agency is fulfilling that duty, yellow indicates partial fulfillment, and red indicates the duty not being fulfilled. Some areas will have declining fulfillment due to the cuts to the agency.

Duty	Reference	Work required	Met in FY 15	Able to Meet in FY 17
Establish an office in each senatorial district of the state. <u>Core Service 1,2,5</u>	AS 15.13.020(j)	Hire personnel, order equipment. Would require a significant increase in budget.	NO	NO
Ensure copies of reports of municipal candidates are available for public inspection. <u>Core Service 1,2,5</u>	AS 15.13.020(k)	Scan and post to website. Municipal candidates are very resistant to this requirement.	YES	YES
Develop and provide all forms for AS 15.13, AS 24.45, and AS 39.50. <u>Core Service 3</u>	AS 15.13.030(1) AS 24.45.031(a)(1)	Develop and design 15 forms per current statutes and regs. Requires programming staff to be familiar with forms and program code.	Partially	Partially, but declining
Prepare and publish a manual setting out uniform methods of book-keeping and reporting for use by persons required to make reports. <u>Core Service 3</u>	AS 15.13.030(2) AS 24.45.031(a)(2)	Complete an annual review of all statutes and regulations and ensure there are no unintended conflicts.	Partially. Done for lobbying, not for other areas.	NO
Assist all persons in complying with the requirements of this chapter. <u>Core Service 3</u>	AS 15.13.030(2) AS 24.45.031(a)(2)	Respond to phone calls, e-mails, and other communications. Very time intensive activity taking over 15% of all staff time each month. A very important function that often interrupts complaint investigations and report auditing.	Partially	Partially, but declining

<p>Receive and hold open for public inspection reports and statements required under this chapter, and furnish copies upon request. <u>Core Service 1, 2, 5</u></p>	<p>AS 15.13.030(3) AS 39.50.050(a)</p>	<p>Done well for lobbying, groups, and candidates. POFD not as successful as staff is not always aware of who should be filing and all required reports may not be available.</p>	<p>Partially</p>	<p>Partially</p>
<p>Compile and maintain a current list of all filed reports and statements. <u>Core Service 1, 5</u></p>	<p>AS 15.13.030(4)</p>	<p>There is no list per se and if kept it would require daily updating. Electronic filing has helped to enable partial compliance with this requirement.</p>	<p>Partially</p>	<p>Partially</p>
<p>Prepare a summary of each report filed under AS 15.13.110 and make copies of this summary available at cost. <u>Core Service 1</u></p>	<p>AS 15.13.030(5)</p>	<p>Has not been done. To do this there would need to be research done on what goes into the summary, the format of the summary, and how to post the information.</p>	<p>NO</p>	<p>NO</p>
<p>Notify by registered or certified mail, all persons who are delinquent in filing reports and statements required under this chapter. <u>Core Service 2</u></p>	<p>AS 15.13.030(6)</p>	<p>This is dependent on knowing who is required to file. This is a time sensitive matter and numerous letters must be created and mailed. it is also costly in that certified mail is more expensive than 1st class. in 2015 to Sept 15 the agency spent \$3,363 in mailing costs on 947 pieces of mail.</p>	<p>Partially</p>	<p>Partially</p>
<p>Examine, investigate, and compare all reports, statements, and actions required by this chapter, AS 24.45 and AS 39.50. <u>Core Service 4</u></p>	<p>AS 15.13.030(7) AS 24.60.220(3)</p>	<p>Staff must review AND compare every report. Staff endeavors to review current filings, but does not have the time to compare reports to previous filings or other current filings. in the past there were 9 staff to do this, now there are 5 to do this. The agency receives up to 8,650 reports annually. In 2015 the agency spent approximately 15% of its time dealing with this requirement alone.</p>	<p>NO</p>	<p>NO</p>

Prepare and publish a biennial report concerning the activities of the Commission... <u>Core Service 2</u>	AS 15.13.030(8) AS 24.45.031(a)(4)	Completed by the executive director with input from staff.	YES	YES
Adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 30.50.... <u>Core Service 3</u>	AS 15.13.030(9) AS 24.60.220(1)	Review all statutes, follow regulations revision protocol. All staff are involved in this highly time intensive activity. As statutes are changed regulations may become obsolete with no notice. With decreased staff this will become very difficult to complete.	Yes	Partially
Consider a written request for an advisory opinion concerning the application of this chapter, AS 24.45, AS 24.60.200 – 260, or AS 39.50. <u>Core Service 3</u>	AS 15.13.030(10) AS 39.50.050(a)	Staff must review the request for technical compliance and then decide if the request is for advice and not involve a third party or hypothetical. This requirement takes precedence over others as it must be completed immediately.	YES	YES
Keep a list of exempt candidates as defined in AS 15.13.040(g) <u>Core Service 1, 5</u>	AS 15.13.040(g)	Review filings and construct list.	YES	YES
Be able to accept reports either on paper or electronically <u>Core Service 3</u>	AS 15.13.040(m) AS 24.60.210(c)	Paper reports are received via e-mail, FAX, or mail. These are then scanned to a central location to be accessed by the public. Reports filed electronically are automatically in the agency's electronic filing system.	YES	YES
Keep a list of registered groups and entities. <u>Core Service 1</u>	AS 15.13.050	Staff maintains a list of those groups and entities that have registered.	YES	YES
All reports required by this chapter shall be filed with the commission and shall be kept open for public inspection.	AS 15.13.110(c)	All reports are public records and available for inspection either electronically or on paper. Staff maintains an index.	YES	YES

Core Service 1, 2, 5

The commission shall keep a report filed on paper under AS 15.13.040(m) open to public inspection by scanning the report and posting a copy of the scanned image on the commission's Internet website within two working days after the report is filed <u>Core Service 1, 5</u>	AS 15.13.110(c)	Staff must receive, sometimes print, and scan the document to the agency's web site. This was able to be done in the past, but it is unknown if this can be done with a decreased staff.	YES	Partially
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Core Service 1, 5

The commission shall prepare a summary of each report, which shall be made available to the public at cost upon request. Each summary must use uniform categories of reporting. <u>Core Service 1, 5</u>	AS 15.13.110(c)	Currently, only done for lobbying. Information to be included, format, and other matters would need to be decided upon. As staff cannot currently review each report, this requirement has not and cannot be met.	NO	NO
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Reports filed electronically shall be made available within 30 days after the report is filed. <u>Core Service 1, 5</u>	AS 15.13.110(c)	Electronic reports are available immediately.	YES	YES
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On paper shall be made available within 30 days after each election <u>Core Service 1, 5</u>	AS 15.13.1110(c)	Paper reports are received and scanned by staff.	YES	YES
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Respond to requests for advisory opinions with a draft within seven days. <u>Core Service 3</u>	AS 15.13.374	Staff must review applicable law, existing advisory opinions, previous orders, complaints, and draft the opinion. The draft must be reviewed by the Department of Law. All this must be done within 7 calendar days weekends included, so APOC time is really four days taking into account weekends and time for DOL to review. APOC is not always able to meet this requirement.	Partially	Partially, possibly declining
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Notify all persons who are delinquent in filing. <u>Core Service 3</u>	AS 15.13.380(a)	Staff must review expectations and see who is delinquent. A letter is then created and mailed to each delinquent filer. This done well for candidates and groups, but less so for other areas.	Partially	Partially
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Notify the Attorney General about all candidates whose campaign treasurers who have failed to file required reports. <u>Core Service 4</u>	AS 15.13.380(a)	Staff compiles a list and submits it to the Dept. of Law.	YES	YES
Accept or deny complaints and complete a staff investigation report in 30 days. <u>Core Service 4</u>	AS 15.13.380(c)	This applies to all areas of APOC's statutes--24.45, 24.60, and 39.50. Any incoming complaint must be reviewed for technical accuracy (required information) and then an assessment of "if true would the allegation constitute a violation". If no then the complaint is rejected and all parties notified. If yes then after notification an investigation takes place. Investigation may include document review, request for information, bank statements, interviews with those involved or witnesses. How complex in the complaint? Will the parties be cooperative and forthcoming? Is a subpoena necessary? Are there multiple violations in the complaint? What else is going on during the investigation—a reporting deadline or AO request or other complaints? Many issues can impact how quickly an investigation can be completed.	Partially	Partially, but declining.
Assess civil penalties for late and/or incomplete reports <u>Core Service 4</u>	AS 15.13.390 AS 24.60.240 AS 24.45.141 AS 39.50.210(a)	Staff would need to review each report to ascertain if it is complete or not. Currently staff is not able to review every filing nor has staff been able to do so. Late reports are generally dealt with well, but incomplete reports are not dealt with as well. In 2014 the agency received 8,651 reports; in 2015 2,248 were received by August 31.	NO	NO
Ensure all candidates file a POFD. <u>Core Service 1, 4</u>	AS 39.50.020 AS 24.60.210(a)	Staff compares candidate registrations and matches against filed POFDs.	YES	YES
Ensure all those are who are required to, file an annual POFD. <u>Core Service 1, 4</u>	AS 39.50.020	APOC staff must be aware of those required to file. If so, then staff can create an expectation for the years in which an individual must file. If a person leaves office without APOC knowing	NO	NO

then the agency as a false set of expectations for that person and no expectation for whoever took the position. Municipal filers are an issue in this regard as some leave office and APOC is not notified. Small municipalities are a particular issue. This is an ongoing matter for APOC staff and requires nearly daily attention. Currently the executive director fulfills this requirement as time allows because of staff layoffs.

<p>Ensure all those leaving service file a final POFD within 90 days of leaving office. <u>Core Service 1, 4</u></p>	<p>AS 39.50.020</p>	<p>APOC staff must be aware of those leaving office in the case of final POFDs. If so, then staff can create expectations and provide a reminder to affected individuals. This is an ongoing matter for APOC staff and requires nearly daily attention. Currently the executive director fulfills this requirement as time allows because of staff layoffs.</p>	<p>NO</p>
<p>Report suspected Lobbying violations to the Attorney General's Office <u>Core Service 4</u></p>	<p>AS 24.45.031(a)(5)</p>	<p>Staff reports to the Commission who in turn reports violations to the Attorney General.</p>	<p>YES</p>
<p>Administer the annual lobbyist/ employer of lobbyist training program. <u>Core Service 3</u></p>	<p>AS 24.45.031(a)(6)</p>	<p>Staff must update the training each year to ensure that it conforms to any statutory changes. This training has been offered both on-line and face-to-face. Staff has travelled to Fairbanks and Anchorage in the past. Budget cuts will decrease travel for face-to-face training.</p>	<p>YES</p>
<p>Prepare and publish summaries of statements and reports received at least biennially. <u>Core Service 1, 5</u></p>	<p>AS 24.45.031(b)(3)</p>	<p>Staff must compile data from each lobbyist and employer then sort for each lobbyist by employer. This was previously done with three staff, Now there is only one staff person to do this.</p>	<p>YES</p>

Preserve lobbying statements in the state capital for six years from filing. If no office in state capital reports will be in the Lt Gov Office. <u>Core Service 1, 5</u>	AS 24.45.111(b)	Reports are held in the Juneau office, this requires storage space. With electronic filing is this requirement necessary?	YES	YES
The commission or its staff shall examine each report filed within 10 days of filing <u>Core Service 4</u>	AS 24.45.131(a)	Staff must audit each filing from a lobbyist or employer of a lobbyist within 10 days of receipt. A real review is not possible considering the number of reports and number of staff available.	NO	NO
Notify delinquent filers immediately if no report is filed or a complaint is filed. <u>Core Service 3</u>	AS 24.45.131(a)	Identifying late reports is significantly easier than reviewing the report of every lobbyist or employer of lobbyist.	YES	YES
Report any suspected violation to the Attorney General, District Attorney, or grand jury. <u>Core Service 4</u>	AS 24.45.131(c)	Staff refers to the Commission who in turn refers to other areas of enforcement.	YES	YES

A quick word about the attachments. Attachment 1 provides an enormous amount of data. It is set up to read the month and year from left to right – May 2013 the beginning of the 2014 election cycle to April 2015 the end of the 2014 election cycle. The various elections have been color coded. Reading each month from top to bottom provides information on what has happened in that month. For instance, in May 2013 there were 252 total reports received, with a breakout of the type immediately below the number of total reports. Continuing down the column, one can see the number of available work hours for that month (they vary because of variations in the number of staff members, holidays, and the way weekends fall), and then the hours devoted to any of the eight priorities assigned by the Commission. Priorities 4 and 7 have been combined as staff does not track time devoted to making referrals. Staff did not track time devoted to CPAs prior to January 2015. As a result the time noted on Attachment 1 for these activities is an average of 2015 to date. Blocks highlighted in yellow indicate the five highest totals for that given activity. At the bottom of the column there is a notation of the number of overtime hours for that month and any comments about what was happening that month.

Attachment 2 is a depiction of how the priorities assigned by the Commission interact with each other. Most tend to relate to another in some manner. The major point of entry into the cycle, at least as related to the priority activities is the filing of a report, the priorities have been numbered on Attachment 2 to coincide with the numbering on Attachment 1. Attachments 3 – 6 detail specific processes. The color coding of the activities also remains consistent between all attachments.

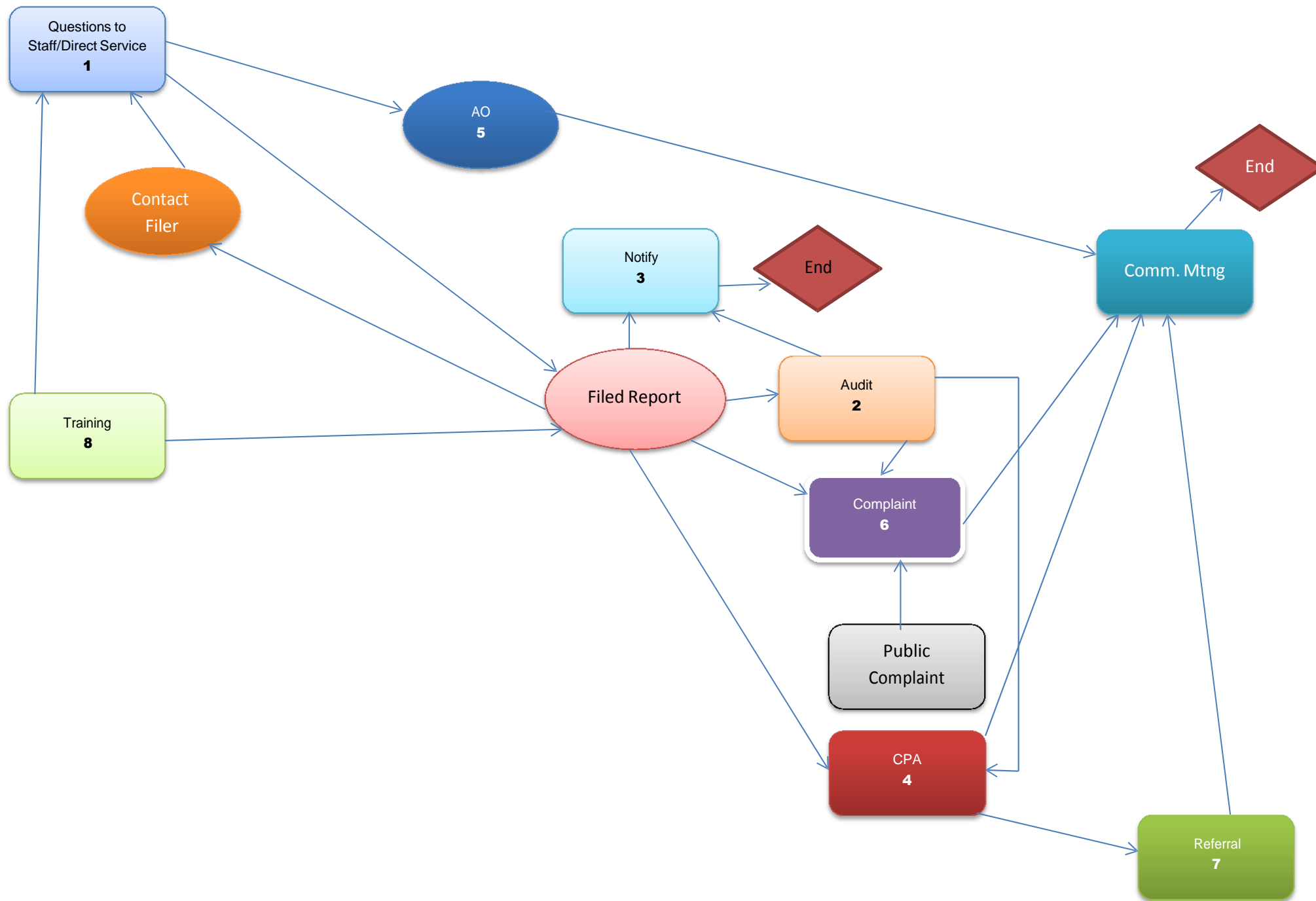
A broad overview is provided in Attachment 2; here the reader can see how the various activities described above relate to each other and the Commission. There are also inputs not discussed above such

as a complaint filed by a member to the public, or an issue being remanded to the staff.

Attachment 3 provides a view of the avenues that can lead to the various actions the agency can take. Most actions are predicated on receiving (or not receiving) a required report.

Attachments 4 through 6 depict the process(es) staff go through after a report is filed and the connections between these processes. The process runs from filing through a possible audit, or CPA, or complaint, or referral to the Attorney General. These attachments are meant to show that no single activity undertaken by staff is a stand-alone task, but connected to other tasks within the larger framework of APOC's statutory duties. Decision points that are generally influenced by the actions of filers guide staff in proceeding through the application of rules provided in statute or regulation.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB																									
1																																																					
2		Key	State wide (SW)	election cycle																																																	
3			Legislative Session																																																		
4			Anchorage Muni Election Cycle																																																		
5			State wide municipal election cycle																																																		
6			One of top five	totals for a given matter																																																	
7																																																					
8																																																					
9																																																					
10																																																					
11																																																					
12		Issues																																																			
13			2013	2013	2013	2013	2013	2013	2013	2013	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015	2015																								
14			May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul																								
15			SW Gen 2014 cycle																																																		
16		Commission Meeting	X	X-Spec		X		X	X-Spec	Leg Sessio	X	X		X	X	X	X		X	X		X	X		X	X		X																									
17		Anchorage Muni election																																																			
18																																																					
19		Activities																																																			
20																																																					
21																																																					
22		Total reports rec'd	252	82	818	1171	676	681	96	178	732	765	1243	835	452	351	1314	1187	616	1982	392	217	621	615	1191	809	17276																										
23		Candidate report	13	11	79	319	350	13	6	60	74	262	147	78	97	159	375	655	287	602	106	37	40	134	111	61	4076																										
24		Lobbying Respor	163	19	546	552	39	560	31	12	455	152	162	559	149	24	545	28	8	549	1	25	429	129	184	544	5865																										
25		Group reports	23	23	113	161	207	55	21	67	97	126	218	147	143	122	358	421	302	805	258	100	80	68	149	159	4223																										
26		POFD	53	29	80	139	83	53	38	39	115	275	716	51	63	46	36	83	19	26	27	56	85	331	747	45	3235																										
27		# of staff	14	14	13	13	12	12	12	13	14	14	14	14	13	13	14	13	12	12	13	13	13	11	11	9																											
28		Available Hours	2374	2029	2223	2017	1776	1966	1753	2028	2062	1965	2080	2280	2060	2056	2180	2013	1990	2006	1605	2040	1881	1680	1670	1442	47176																										
29		Priority	Activity																																																		
30	1	Hrs of Service	264	243	297	277	280	255	184	273	375	355	306	318	279	292	307	307	356	383	185	253	239	324	325	222	6899																										
31	2	Hrs of Auditing	123	107	150	81	165	107	36	26	80	136	219	187	119	78	80	122	131	92	30	65	102	148	237	165	2786																										
32	3	rs of Notificatio	87	65	65	89	113	57	55	37	57	77	113	113	119	88	81	63	60	91	51	58	43	46	90	79	1797																										
33	4,7	Hrs of CPAs*	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	154	69	37	118	1778																										
34	5	Hrs Adv Opini	4	133	0	9	0	0	1	13	0	24	1	25	1	39	0	2	2	49	4	42	1	16	1	7	0	33	1	24	3	92	1	15	4	55	0	10	0	1	2	8	0	7	0	0	1	1	1	0	1	606	
35	6	& Hrs Complain	4	0	4	5	3	25	3	64	3	29	7	162	5	54	5	124	5	33	7	77	7	27	5	21	4	13	2	49	3	51	7	143	6	175	6	41	6	88	6	94	6	8	6	17	3	14	4	26	1304		
36	8	Hrs Training	36	62	162	205	82	154	139	113	123	58	33	61	65	58	52	36	29	41	69	96	86	33	20	16	1829	16999																									
37		% Time on Prioriti	30%	28%	35%	40%	43%	42%	33%	32%	38%	41%	38%	34%	34%	32%	34%	38%	44%	36%	31%	32%	34%	38%	43%	43%	36%																										
38		OT Hours	61	11	2	16	9	4	35	60	11	45	44	29	23	53	0	0	0	0	2	32	19	23	22	12																											
39		Major AOs 1 w/ 20 Questions																																																			
40		* CPA hours are based on an average of calendar year 2015 to date.																																																			
41																																																					
42																																																					
43																																																					



FILING DEADLINE

