

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

Jacquelyn Goforth,)	
)	
Complainant,)	
)	
v.)	APOC Case No. 24-02-CD
)	
Friends of the Palmer Public Library, Inc.,)	
)	
Respondent.)	
_____)	

FINAL ORDER

Jacquelyn Goforth filed a complaint alleging that the Friends of the Palmer Public Library, Inc. (Friends, Inc.) violated several campaign finance laws when supporting a ballot proposition to construct a new public library in Palmer. Friends, Inc. stipulates to (1) failing to timely register as a campaign group;¹ (2) failing to file an independent expenditure report on time;² and (3) failing to include accurate paid-for disclaimers on campaign communications.³ As a penalty for these violations, the Commission orders Friends, Inc. to pay a reduced penalty of \$44.38.

¹ AS 15.13.050(a).

² AS 15.13.040(d); AS 15.13.110(h).

³ AS 15.13.090.

I. Friends of the Palmer Public Library, Inc. stipulated to committing three violations of Alaska’s campaign reporting and disclosure statutes.

A. Background Facts

Friends of the Palmer Public Library, Inc. is an incorporated non-profit entity with the purpose of providing non-partisan support to the Palmer Public Library.⁴ The group mostly raises money for the library, but it also provides some limited programming to the community. It has existed in its present form since at least 1980 and is the successor to the Palmer Library Association. Within the local community, the group is regularly referred to by informal names such as “Friends of the Palmer Library” or “Friends of the Library.”

In February 2023, the roof of the Palmer Public Library collapsed, and the building has been unsafe ever since. In July 2023, the Palmer City Council voted to place a \$10 million bond proposition on the ballot for the October 3, 2023 municipal election. This became Proposition 1.

On August 18, 2023, Friends, Inc. ordered signs that encouraged voters to “Vote Yes on Prop 1,” and the group began disseminating the signs sometime around September 7, 2023. The group did not register with APOC until September 19, 2023, and the registration was amended the next day.⁵ Around that time, someone at Friends, Inc. apparently began filling out an independent expenditure report to disclose the \$560

⁴ The group’s current Alaska entity number is 21907D. It can be searched for at: <https://www.commerce.alaska.gov/cbp/main/search/entities>.

⁵ See AS 15.13.050(a).

expenditure to purchase the campaign signs—but this report was saved in the electronic filing system but never completed and submitted to APOC.

Some of the signs purchased by the Friends, Inc. had a paid-for disclaimer on the backside saying, “Paid for by Friends of the Palmer Library, Palmer AK 99645, Chairperson: Rachel House, Top Contributors: Sylvia Reeder, Ronpugh Family, Joseph Offner.” Other signs included more limited language saying “Friends of the Palmer Library,” and still others had no disclaimer at all.

On May 9, 2024, Jacquelyn Goforth filed a complaint about the campaign activity of Friends, Inc. with the Commission. A few weeks prior, on April 14, Ms. Goforth tried to get a business license from the State of Alaska for a new non-profit that she named the “Friends of the Palmer Library.” The very next day, on April 15, Ms. Goforth tried to register her new non-profit with APOC so it could engage in campaign activities. She could not do so because when Friends of the Palmer Public Library, Inc. registered with APOC in September 2023, the group used the name that Ms. Goforth wanted to use: “Friends of the Palmer Library.” To avoid confusion, APOC does not allow different groups to register with the exact same name. This caused Ms. Goforth to investigate Friends, Inc. and file a complaint with four main allegations about the group: (1) it failed to register with APOC on time; (2) it made expenditures before registering with APOC; (3) its signs lacked required disclosures; and (4) the group illegally did business under a fictitious name.

About two months after filing her complaint with APOC, Ms. Goforth amended the complaint. She explained to APOC that in June 2024, the Department of Commerce,

Community, and Economic Development, Division of Corporations had rejected her attempt to incorporate as Friends of the Palmer Library, apparently on the ground that the Palmer Public Library had not authorized Ms. Goforth to create a corporation using its name.⁶ In amending her complaint, Ms. Goforth conceded that “[u]sing a non-existent corporate name to conduct business is not within the parameters of the Alaska Public Offices Commission” and clarified that her main claims were about whether Friends, Inc. violated Alaska’s campaign reporting and disclosure laws.

In the meantime, Friends, Inc. registered the name “Friends of the Palmer Library” with the Division of Incorporations, presumably with the consent of the Palmer Public Library.⁷

B. APOC Staff Report and Recommended Penalty

APOC staff investigated the allegations in the complaint and concluded that Friends, Inc. violated three laws. First, the group failed to register with APOC on time. Before making an expenditure in support of a ballot proposition, groups must first register with APOC.⁸ According to staff, the signs purchased by Friends, Inc. were a reportable expenditure.⁹ And those were purchased on August 18, 2023, but the group did not register until September 19, 2024, about a month later.

⁶ This was Ms. Goforth’s testimony at the Commission meeting.

⁷ The current Alaska entity number for this group is 10274171.

⁸ AS 15.13.050(a).

⁹ See AS 15.13.400(7)(A)(iv).

Second, Friends, Inc. failed to report its independent expenditure on time. Groups that make independent expenditures must file a full report on their contributions and expenditures.¹⁰ The report must be filed no later than 10 days after an expenditure is made unless it is made within 9 days of the election, which requires reporting within 24 hours.¹¹ The signs were purchased on August 18, 2023, but they were not reported until June 24, 2024, nearly a year later.

Third, Friends, Inc. failed to provide adequate paid-for disclaimers on its campaign signs.¹² Campaign disclosure laws require groups making campaign communications to clearly identify the group's name, the title of the group's principal officer, and the group's top three contributors; to provide a statement from the principal officer approving the communication; and to identify the city and state of the group's principal place of business.¹³ Here, the backside of some of the signs said "Paid for by Friends of the Palmer Library, Palmer AK 99645, Chair Person: Rachel House, Top Contributors: Sylvia Reeder, Ronpaugh Family, Joseph Offner," while other signs included more limited language saying "Friends of the Palmer Library," and other signs had no disclaimer. Staff concluded that these identifiers were incomplete.

¹⁰ AS 15.13.040(d).

¹¹ AS 15.13.110(h).

¹² See AS 15.13.090.

¹³ AS 15.13.090(a)(1)-(2).

Staff calculated a maximum penalty of \$18,000 for these violations. The maximum penalty per day for each violation is \$50.¹⁴ Staff completed the following calculations:

Violation	Dates of Violation	Penalty Days	Maximum Penalty
Registration	8/18/23-9/19/2023	32	\$1,600
Expenditure Report	8/28/23-6/24/2024	301	\$15,050
Paid-For Disclaimer	9/7/23-10/3/2023	27	\$1,350
Total			\$18,000

Staff then recommended reducing the penalties based on staff's assessment procedure in 2 AAC 50.855. The regulation allows a penalty reduction because Friends, Inc. was a first-time filer. Under this factor, the penalty for the late-filed registration may be waived entirely;¹⁵ the penalty for the reporting violation may be reduced 75% to \$3,762.50;¹⁶ and the disclaimer violation can be reduced by 50% to \$675.¹⁷

Staff recommended further reducing the penalties after considering the mitigation criteria that the Commission may apply in 2 AAC 50.865. Under that regulation, a penalty may be further reduced by up to 50% if group is an inexperienced filer engaged in their first election cycle, like Friends, Inc.¹⁸ Also, a penalty may be further reduced or waived entirely if it is significantly out of proportion to the harm suffered by the public

¹⁴ AS 15.13.390(a)(1), (4).

¹⁵ See 2 AAC 50.855(b)(2)(A)(i).

¹⁶ See 2 AAC 50.855(b)(2)(B)(i).

¹⁷ See 2 AAC 50.855(b)(2)(C)(i).

¹⁸ See 2 AAC 50.865(a)(1)(B).

for not having the information.¹⁹ This happens when the penalty “exceeds the value of the transactions that were not reported or were reported late.”²⁰ Here, the untimely expenditure report shows that the signs with incomplete paid-for disclaimers cost only \$560, but the staff-assessed penalties for the untimely report and the incomplete disclaimers were \$3,762.50 and \$675 respectively. Based on these two mitigation criteria, staff recommended reducing the total penalty to \$443.75.

Violation	Max Penalty	2 AAC 50.855 Assessment	2 AAC 50.865 Mitigation
Registration	\$1,600	\$0	N/A
Expenditure Report	\$15,050	\$3,762.50	\$376.25
Paid-For Disclaimer	\$1,350	\$675	\$67.50
Total	\$18,000	\$4,437.50	\$443.75

C. Arguments Before the Commission

Friends, Inc. submitted a prehearing memorandum to the Commission before the August 29, 2024 hearing. Friends, Inc. “concede[d] that it inadvertently failed to follow all applicable statutes and regulations, and is prepared stipulate to the three violations identified by the Commission staff.” The group then argued that the penalty should be either (1) waived or (2) suspended and later set aside, provided the group does not violate any campaign laws in the next year.²¹

¹⁹ 2 AAC 50.865(b)(5).

²⁰ *Id.*

²¹ *See* AS 15.13.390(e).

Friends, Inc. argued that the penalty should be waived due to unique circumstances.²² The group noted that its campaign involvement was limited to a single purchase of signs; any penalty assessed will effectively be taken away from the library because all of its money is donated to the library; the group had never before participated in an election and has not since; and Proposition 1 passed by an overwhelming margin. In arguing for a suspended penalty, Friends, Inc. explained that its violations were due to a “lack of political sophistication and experience” and that it tried to “quickly correct its errors.”

The Commission held a hearing on August 29, 2024, and Prudence McKenney, the current president of Friends, Inc. testified. Ms. McKenney testified that all of the group’s money goes to the Palmer Public Library and that the organization has never been involved in other political activity and has no intention to do so again. She also testified that the group did not intend to mislead the public by using filing its APOC registration under the name “Friends of the Palmer Library.” The Commission took the matter under advisement.

II. The Commission orders Friends of the Palmer Public Library to pay a reduced penalty of \$44.38.

The Commission accepts the stipulation of Friends, Inc. and orders a 99% reduction of the penalty that would be assessed under 2 AAC 50.855. As a result of this calculation, the Commission orders Friends, Inc. to pay a total penalty of \$44.38.

²² See 2 AAC 50.865(b)(6).

Three mitigating factors apply to this case under 2 AAC 50.865. First, Friends, Inc. is an inexperienced filer because it was engaged in its first election cycle.²³ Second, the penalties related to the untimely expenditure report and the incomplete paid-for disclaimers are significantly out of proportion with the harm suffered by the public for not having the information.²⁴ The signs cost \$560 but the related fines were \$3,762.50 and \$675. These exceed “the value of the transactions that were not reported or were reported late.”²⁵ The Commission agrees with staff that these mitigating factors should be applied.

Third, the Commission also concludes that this case involves unique circumstances that justify a greater penalty reduction.²⁶ For decades, Friends, Inc. and its predecessor groups have supported the Palmer Public Library through non-partisan activities. Its involvement in this election was triggered by an extreme weather event that caused the partial collapse of the library. The Commission credits Ms. McKenney’s statement that the group does not intend to engage in election activity going forward, and that it will follow all reporting obligations if the group’s position changes. Also, as Ms. McKenney testified, every or nearly every dollar raised by the organization goes directly to the public library, which operates to serve the general public. Plus, Friends,

²³ See 2 AAC 50.865(a)(1)(B). This mitigating factor allows the Commission to reduce a penalty up to 50%.

²⁴ 2 AAC 50.865(b)(5). This mitigating factor allows the Commission to reduce the penalty by any amount up to waiver.

²⁵ *Id.*

²⁶ 2 AAC 50.865(b)(6) (allowing reduction up to waiver).

Inc. readily stipulated to its violations. Combined with the other mitigating factors involved, this justifies a 99% penalty reduction to \$44.38.

Ms. Goforth and her counsel raised one other issue at the hearing. They challenged staff's conclusion that Ms. Goforth withdrew her argument about Friends, Inc. using the wrong name on its APOC registration.²⁷ Whether or not the argument was withdrawn, the Commission credits Ms. McKenney's testimony that the group did not do this to deceive the public and that the group is known among the public by the name "Friends of the Palmer Library," which it used on its APOC registration. The group has since registered that name with the Division of Corporations as well. Also, nothing in AS 15.13 strictly requires incorporated groups to use only their incorporated name on APOC materials. Indeed, Ms. Goforth conceded that "[u]sing a non-existent corporate name to conduct business is not within the parameters of the Alaska Public Offices Commission." The Commission declines to take any further action on this issue.

This is a final Commission order. It may be appealed to the superior court within 30 days from the date of this order.²⁸ A request for the Commission to reconsider this order must be filed within 15 days from the date this order is delivered or mailed.²⁹

²⁷ They also suggested a remand may be appropriate for more investigation.

²⁸ AS 15.13.380(g), AS 44.62.560, Alaska R. App. P. 602.

²⁹ AS 44.62.540; 2 AAC 50.891(g).

Dated: September 9, 2024

BY ORDER OF THE ALASKA PUBLIC OFFICES COMMISSION³⁰

Certificate of Service:

I hereby certify that on this date, I served, by **certified mail and email** a true and correct copy of the foregoing in this proceeding on the following:

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Paralegal

9.9.24
Date

³⁰ Commissioners Dan LaSota, Richard Stillie, Eric Feige, Lanette Blodgett, and Walt Monegan participated in this matter. The decision was made on a 5-0 vote.