

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

ALASKA PUBLIC INTEREST RESEARCH)
GROUP & 907 INITIATIVE,)
Complainants,) Case No. 22-04 CD
v.)
)
REPUBLICAN GOVERNOR’S ASSOCIATION &)
A STRONGER ALASKA)
Respondents.)
_____)

ORDER ON EXPEDITED CONSIDERATION

On October 21, 2022, the Alaska Public Offices Commission held an expedited hearing to determine whether the Republican Governor’s Association and A Stronger Alaska violated a series of Alaska’s campaign finance laws. After a six-hour hearing and two days of deliberation over the facts in this case, the Commission has decided to remand the complaint to the Executive Director for consideration on a regular rather than an expedited basis.

Facts

At its core, complainants have made two allegations: first, that the Republican Governor’s Association made an illegal \$3 million contribution to A Stronger Alaska because it essentially contributed the money to itself; and second—that as a natural result of the first allegation—expenditures made by A Stronger Alaska were actually made by Republican Governor’s Association, which, if true, would violate various disclosure laws.

The Alaska Public Offices Commission held an expedited hearing in this case and took direct testimony on October 21, 2022. Witnesses David Rexrode and Erim Canligil testified to the following:

- David Rexrode is the Executive Director of the Republican Governor’s Association.¹
- Erim Canligil is the Chief Financial Officer of Republican Governor’s Association.²
- On February 24, 2021, Mr. Rexrode created A Stronger Alaska by making a filing to that effect with the Alaska Public Offices Commission.³
- All officers of A Stronger Alaska are employees of Republican Governor’s Association.⁴
- Mr. Rexrode acts as the President of A Stronger Alaska and at all relevant points he was also the Executive Director of the Republican Governor’s Association.⁵
- Mr. Canligil acts as the compliance officer for A Stronger Alaska and was at all relevant points the Republican Governor’s Association’s Chief Financial Officer.⁶
- Mr. Rexrode and Mr. Canligil consider themselves volunteers for A Stronger Alaska.
- On or about February 25, 2021, the Republican Governor’s Association’s Executive Committee instructed Mr. Rexrode to transfer \$3 million to a bank account entitled “Republican Governor’s Association – A Stronger Alaska.”⁷

¹ October 21, 2022, Hearing (hereinafter “Hearing”) at 13:30.

² Stipulated to throughout.

³ Hearing at 23:40-23:55; 43:10-43:30; 2:02:00-2:03:25.

⁴ Hearing at 27:00-27:10.

⁵ Hearing at 45:25-45:45.

⁶ Hearing at 46:00-46:30.

⁷ Hearing at 40:00-40:30; 2:05:00-2:05:30

- Mr. Rexrode considers A Stronger Alaska’s bank account separate and distinct from the Republican Governor’s Association’s accounts.
- In filings to the Federal Internal Revenue Service, the Republican Governor’s Association did not report making contributions to “A Stronger Alaska.”⁸
- The Republican Governor’s Association and A Stronger Alaska share the same Federal Employer Identification Number (EIN).⁹
- There is no phone number, address, or website for A Stronger Alaska other than what appears on APOC filings.¹⁰
- Both Mr. Rexrode and Mr. Canligil appear to have conducted the business of A Stronger Alaska from their workspaces at Republican Governor’s Association.
- The Commission asked Mr. Rexrode and Mr. Canligil whether Republican Governor’s Association or A Stronger Alaska have written policies in place to ensure the two entities remain separate. There appear to be none.
- Mr. Rexrode testified he has the sole authority to make expenditures for A Stronger Alaska and there was no coordination between Republican Governor’s Association and A Stronger Alaska after Republican Governor’s Association made the \$3 million contribution on or about February 25, 2021.¹¹
- When asked “what would happen if Mr. Rexrode and A Stronger Alaska went rogue with the \$3 million,” Mr. Canligil was unsure what, if anything, the Republican Governor’s Association could or would do about it.

Analysis

Complainants agree that two or three statutes directly bear on the question of whether there was sufficient separation between Republican Governor’s Association and

⁸ Hearing at 1:45:10-1:48:59.

⁹ Hearing at 30:00-31:00.

¹⁰ Stipulated to throughout the hearing.

¹¹ Hearing at 47:00-48:00; 49:45-51:15; :09:40-1:09:19; 1:14:00-1:15:35.

A Stronger Alaska.¹² Under Alaska Statute 15.13.050, a group must register with the Alaska Public Offices Commission prior to making expenditures in support of or in opposition to a candidate. Under Alaska Statutes 15.13.074(b) and 15.13.084(2), an entity like Republican Governor's Association may not make contributions or expenditures using a fictitious name or using the name of another. Failure to follow these laws invites a host of reporting violations under Alaska's campaign finance laws, once contributions and expenditures are made.

The evidence before the Commission so far shows that Republican Governor's Association did little to distance itself from A Stronger Alaska. Apparently, Republican Governor's Association created A Stronger Alaska at the behest of their high-ranking employee David Rexrode, who in turn ran the independent expenditure group. There is no independent board overseeing A Stronger Alaska's expenditures. There is no independent address, no independent phone number, and no other existence of A Stronger Alaska other than a single APOC filing and a bank account it shares with Republican Governor's Association's own accounts. At the expedited hearing, Republican Governor's Association leadership provided no documentation or testimony showing what, if any, their instructions were to Mr. Rexrode. The Republican Governor's Association did not provide the Commission proof that its Executive Committee sanctioned the purported \$3 million contribution to A Stronger Alaska.

¹² Complainant's supplemental arguments brief, pgs. 1; 6.

The evidence also shows Mr. Rexrode put minimal effort into establishing an independent expenditure group under Alaska law. The Commission remands this case to its Executive Director on a non-expedited basis to review whether Mr. Rexrode's efforts were legally sufficient.

The Commission instructs staff to focus on a few matters during its investigation. First, Mr. Rexrode testified that he possessed the sole authority to make expenditures for A Stronger Alaska after Mr. Rexrode's employer—the Republican Governor's Association—made a \$3 million contribution to A Stronger Alaska. This testimony was not seriously contested by Complainants, nor could it have been on such an expedited timeline. The Commission directs APOC Staff to test the validity of this assertion. Mr. Rexrode and Mr. Canligil did little to assuage the Commission's concern that the Republican Governor's Association and its Executive Committee had ultimate control over A Stronger Alaska's activities. APOC Staff should also investigate whether any other Republican Governor's Association agents or employees had dominion or control over A Stronger Alaska's bank account and whether other Republican Governor's Association employees could stop or continue spending from that account. Furthermore, Mr. Rexrode testified that he had no further discussions with anyone at the Republican Governor's Association about Alaska expenditures after the \$3 million contribution was made. Further discovery could be useful in substantiating or disproving this claim, which is relevant to whether A Stronger Alaska and Republican Governor's Association are truly two separate entities. Counsel for A Stronger Alaska and Republican Governor's

Association are instructed to assist Staff in answering the Commissioner's inquiries posed in this order.¹³

The Commission recognizes that by not finding for a violation on an expedited basis under AS 15.13.380(d)(1), A Stronger Alaska may continue to make expenditures in Alaska's elections. However, if it is later determined that sufficient separation between the two entities does not exist, A Stronger Alaska will continue to make expenditures at its own peril. Moreover, A Stronger Alaska could expose Republican Governor's Association to penalties during the pendency of Staff's investigation, if the Commission later finds that the two entities are one in the same.

The Republican Governor's Association and A Stronger Alaska are encouraged to obtain the Commission's advice whether their chosen structure complies with Alaska's

¹³ Attorneys Stacey Stone and Richard Moses both represented Mr. Rexrode and Mr. Canligil at the hearing—one as counsel for Republican Governor's Association and the other for A Stronger Alaska. Attorneys Stacey Stone and Richard Moses have obligations to this Commission. Given that this matter will be remanded for further investigation, both must instruct Mr. Rexrode, Mr. Canligil, the Republican Governor's Association, and A Stronger Alaska to preserve potentially relevant evidence related to the claims set forth in the complaint. Stacey Stone and Richard Moses shall instruct their clients to preserve all electronically stored information, paper files, copies, and backup of any information that could be discoverable during the investigation. This includes without limitation, emails, texts, paper files, and other correspondence in the possession of Respondents as it relates to the formation of A Stronger Alaska, the funding of A Stronger Alaska, the establishment of A Stronger Alaska's bank accounts, all expenditures made thereafter, and all communications between Mr. Rexrode and other employees of Republican Governor's Association as it relates to A Stronger Alaska's activities from February 2021 to the present. As counsel, Stacey Stone and Richard Moses should further advise respondents against the deletion of any information—including electronic communications such as email and text messages—which could be discoverable in the forthcoming investigation.

campaign finance laws prior to making any further contributions and expenditures.¹⁴ The door is open to Republican Governor's Association and A Stronger Alaska to request an advisory opinion now. If they choose to do so, they must be forthright about the structure of their accounts and the extent to which Mr. Rexrode and Mr. Canligil's activities are controlled or not controlled by Republican Governor's Association (their employer).

Nothing in in this order precludes the Republican Governor's Association from speaking in its own name during this election cycle, provided it complies with all campaign finance laws.

Conclusion

The matter is remanded to staff for further investigation. Republican Governor's Association and A Stronger Alaska are not insulated from penalties for future expenditures if the Commission ultimately concludes there was not sufficient separation between the entities in this case.

Dated: October 24, 2022

BY ORDER OF THE ALASKA PUBLIC OFFICES COMMISSION¹⁵

¹⁴ Alaska Statute 15.13.374.

¹⁵ Commissioners Anne Helzer, Dan LaSota, Richard Stillie, Suzanne Hancock, and Lanette Blodgett participated in this decision.