

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

Alaskans for Better Elections, Inc.,)
)
 Complainant,)
)
 v.) Case No. 24-03-CD
)
 Alaskans for Honest Elections, Alaskans for)
 Honest Government, Ranked Choice Education)
 Association, and Arthur Matthias,)
)
 Respondents.)
 _____)

FINAL ORDER

On January 16, 2025, the Alaska Public Offices Commission considered this complaint against four respondents—Alaskans for Honest Elections, Alaskans for Honest Government, Ranked Choice Education Association, and Arthur Matthias¹—all of whom supported the signature-gathering effort for 22AKHE, the proposed repeal of open primaries and ranked-choice voting that appeared on the November 2024 ballot. The complaint alleges that the respondents have not filed or amended their campaign disclosure reports to bring them into compliance with the Commission’s final order in case no. 23-01-CD and have committed new violations. We agree that the respondents are violating the prior order and the law, conclude that their appeal of some issues in the prior order does not excuse their lack of compliance, and impose civil penalties for the ongoing and new violations totaling \$156,950.

¹ Matthias’s counsel stated in the prehearing brief for this matter that his client’s preferred spelling of his last name has two “t’s.” This order uses his preferred spelling.

BACKGROUND

As financial supporters of the 2023 signature-gathering effort to place 22AKHE on the ballot in November 2024, the four respondents had to comply with campaign finance and disclosure laws.² The first respondent, Alaskans for Honest Elections, registered as an initiative group.³ As such, it had to file quarterly and independent expenditure reports and provide accurate paid-for-by identifiers on communications.⁴ The second, Ranked Choice Education Association, promoted 22AKHE on its website and gave funds to the initiative group. This resulted in obligations to file independent expenditure, quarterly, and statement of contributions reports, and to provide accurate paid-for-by identifiers on its website.⁵ The third, Arthur Matthias, gave \$90,000 to the initiative group, which he needed to disclose on statements of contributions.⁶ The fourth, Alaskans for Honest Government, promoted 22AKHE on its website. Because of this activity, it also had to file independent expenditure and quarterly reports and use accurate paid-for-by identifiers on its website.⁷ Matthias and another person, Phillip Izon, are

² These facts are taken from the superior court and our orders in 23-01-CD. To the extent the facts and issues were not appealed, they are the law of case. *Basey v. Dep't of Pub. Safety*, 462 P.3d 529, 534 (Alaska 2020) (stating that the law of the case doctrine “applies to issues directly addressed in a prior appeal, to issues ‘necessarily inhering’ in a prior appellate decision, and to issues that could have been raised in a prior appeal”).

³ AS 15.13.400(9)(C).

⁴ AS 15.13.040(b), (d)-(e); AS 15.13.090; AS 15.13.110(g)-(h).

⁵ AS 15.13.040(d)-(e), (k); AS 15.13.090; AS 15.13.110(g)-(h).

⁶ AS 15.13.040(k). This fact is at issue in the pending appeal. *Alaskans for Honest Elecs., et al. v. Alaska Pub. Offs. Comm'n, et al.*, Case Nos. S-19201 & S-19221.

⁷ AS 15.13.040(d)-(e); AS 15.13.090; AS 15.13.110(g)-(h).

officers for the initiative group and association; Izon is the agent for the other entity.

In July 2023, the complainant in this matter, Alaskans for Better Elections, alleged that these four respondents and others were violating the campaign finance and disclosure laws. Staff investigated the complaint, case no. 23-01-CD, and the Commission held a hearing. The final order, issued in early January 2024, found three types of violations—disclosure violations, a cash violation, and a true source violation.

First, the Commission found that the initiative group and the two entities violated disclosure laws by failing to register before making expenditures,⁸ to comply with their reporting obligations,⁹ and to use compliant paid-for-by identifiers.¹⁰ The Commission found that the initiative group failed to disclose an in-kind contribution by Wellspring Ministries, which allowed the group to use its gym for free for a signature-gathering event in February 2023, and filed reports late. The two entities had not filed any quarterly or independent expenditure reports; these reports required the entities to report their own contributors, as well as their expenditures.¹¹ The Commission ordered the three respondents to file or amend their reports and to correct their paid-for-by identifiers.

Second, the Commission found that the ranked choice association exceeded the \$100 limit for cash donations by giving \$2,358 in cash to the initiative group.¹² During

⁸ AS 15.13.050(a).

⁹ AS 15.13.040(b)–(e); AS 15.13.110(g)–(h).

¹⁰ AS 15.13.090.

¹¹ AS 15.13.040(e); AS 15.13.110(g).

¹² AS 15.13.074(e).

staff's investigation, the group corrected this violation by returning the funds and receiving a replacement check from the association.

Third, the Commission concluded that Matthias and the association violated a prohibition against giving in another's name when Matthias passed \$90,000 of his own money through the association—which he controlled—to the initiative group.¹³ The Commission found that Matthias deposited the \$90,000 in the association's account in December 2022, and Matthias, acting for the association, transferred his money out of that account to the initiative group with five donations in varying amounts over the first half of 2023. One of these contributions was the \$2,358 in cash. Relatedly, the Commission found that Matthias was disclosed late (or not at all) as the true source of the \$90,000 on campaign reports, resulting in reporting violations by him, the initiative group, and the association.¹⁴ In addition, the association gave \$740 more than Matthias's \$90,000 to the initiative group, so the order required the group to identify the association's donors—the true sources—of the \$740 contribution.¹⁵ Unlike Matthias, these donors did not violate the prohibition against giving in another's name. The association could lawfully act as an intermediary for them, but the association and the initiative group would need to disclose their names on campaign reports.¹⁶

¹³ AS 15.13.074(b). The respondents are appealing the findings in this paragraph, *Alaskans for Honest Elecs., et al. v. Alaska Pub. Offs. Comm'n, et al.*, Case No. S-19201.

¹⁴ AS 15.13.040(b), (d)–(e), (k); AS 15.13.110(g)–(h).

¹⁵ AS 15.13.040(b); AS 15.13.400(19).

¹⁶ AS 15.13.040(b), (d)–(e), (k); AS 15.13.110(g)–(h); AS 15.13.400(19).

The Commission ordered the respondents to correct the reporting violations by amending or filing their missing reports and to fix their paid-for-by identifiers by February 2, 2024. None of the four respondents complied with the deadline.

Instead, three respondents—the initiative group, the association, and Matthias—appealed to superior court on the deadline.¹⁷ They contested only the violations and civil penalties related to Matthias’s \$90,000 contribution.¹⁸ More than a month later, they sought a stay to avoid amending or filing the reports necessary to report this contribution. The court denied a stay and in July 2024 affirmed that the initiative group, association, and Matthias violated the prohibition against giving in another’s name and failed to properly attribute contributions to Matthias. The complainant, Better Elections, which had cross-appealed, argued in relevant part that the Commission erred by finding that the \$2,358 in cash came from Matthias, rather than other unidentified donors. The court agreed and reversed the Commission on this point. This reduced Matthias’s contribution to the initiative group from \$90,000 to \$88,382.¹⁹

The initiative group, the association, and Matthias appealed to the Alaska Supreme

¹⁷ *Alaskans for Honest Elecs., et al. v. Alaska Pub. Offs. Comm’n*, Case No. 3AN-24-04508 CI. Unlike the reporting obligations, the payment of some penalties imposed in the 23-01-CD order was automatically stayed during the pendency of the appeals. See 2 AAC 50.860(e); Status Update re: Final Order, Case No. 23-01-CD (Mar. 7, 2024).

¹⁸ The respondents also listed the issue of the Wellspring Ministries’ in-kind gym contribution in their notice of appeal but ultimately waived the issue by failing to brief it.

¹⁹ This number is arrived at by subtracting the \$2,358 cash contribution from the actual combined contributions from the association and Matthias of \$90,740.

Court in August 2024.²⁰ The Commission did not cross-appeal the conclusion that the cash did not originate with Matthias, reducing his total contribution to \$88,382. The group, the association, and Matthias filed their opening brief, again contesting only the violations and civil penalties related to Matthias's \$88,382 contribution.²¹ The reporting obligations in the Commission's order, as modified by the superior court decision, have not been stayed and remain in full force and effect despite the appeal.

More violations have occurred since the Commission and superior court orders, which addressed reports filed and actions taken before September 8, 2023, the date of staff's investigation report.²² From then until a month before the 2024 general election, quarterly reports came due on the 10th day of every month after a calendar quarter ended.²³ The initiative group filed almost all these reports late, and the reports were inaccurate. The association failed to file quarterly reports altogether. Honest Government claimed that it stopped engaging in further reportable activity and the Commission has no evidence to the contrary. Matthias passed another \$2,000 of his own money through the association to the initiative group after the timeframe covered by the orders (but before issuance of the orders) and later reported his contribution, but the group reported this

²⁰ *Alaskans for Honest Elecs., et al. v. Alaska Pub. Offs. Comm'n, et al.*, Case No. S-19201. The complainant cross-appealed on issues not relevant here and the appeals have been consolidated, *Alaskans for Better Elecs., et al. v. Alaska Pub. Offs. Comm'n, et al.*, Case No. S-19221.

²¹ The other parties' briefs have not been filed yet.

²² The facts in this paragraph and the rest of the factual background describe events that occurred after September 8, 2023, and so are not established by the law of the case.

²³ AS 15.13.110(g).

contribution as coming from the association.²⁴

Shortly after the superior court decision in July 2024, Better Elections filed a new complaint, alleging that the respondents have not complied with the 23-01-CD order by amending or filing missing reports, have filed additional inaccurate reports, and/or were not using accurate paid-for-by identifiers. Staff initially rejected the complaint,²⁵ but we reviewed the rejection and accepted the complaint on September 9, 2024. At that point, staff began investigating the complaint, and the respondents filed an answer. A month or so later, staff issued the investigation report. Staff recommended that we find reporting violations against the respondents and impose civil penalties.

On January 16, 2025, we heard the complaint. The respondents' counsel indicated that the respondents would not be participating. Before the hearing, however, Matthias moved to strike Better Elections' prehearing brief and response. He argued that the complainant could not file the pleadings because it lacked the rights of a full party. At outset of the hearing, we denied the motion. By regulation, complainants "may present argument,"²⁶ and Better Elections' counsel intended to read aloud the briefing if the written pleadings were struck. On the merits, staff presented the investigation report. The complainant asked us to find more violations and impose higher penalties than what staff

²⁴ Statement of Contributions Form 15-5 for Art Mathias [stet] (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4968&ViewType=SC>; 2023 Third Quarter Report for Alaskans for Honest Elections (Oct. 30, 2023), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=42044&ViewType=CD>.

²⁵ 2 AAC 50.870(c)–(d).

²⁶ 2 AAC 50.891(d) ("A complainant that is not designated as a party to the proceeding may present argument but may not call witnesses or present evidence.").

recommended. We took the case under advisement and now issue this order.

LAW AND ANALYSIS

The four respondents did not remedy their violations of the law as ordered, and Honest Elections and the association committed new violations. We impose the maximum statutory penalties for these violations.

The respondents suggest that this case is moot against the three organizational respondents because they have already dissolved or soon will, leaving no one to pay the penalties. We disagree. “A claim is moot if it is no longer a present, live controversy, and the party bringing the action would not be entitled to relief, even if it prevails.”²⁷ Deciding this matter provides relief by resolving the question of liability even if the respondents’ dissolutions hinder enforcement and collection. This decision vindicates the public interest in enforcing the campaign finance and disclosure laws to maintain the integrity of elections and inform the electorate.²⁸ The claims are not moot.

Turning to the merits, we impose the maximum statutory penalties because the respondents, who are all controlled by Matthias, Izon, or both, have proven themselves shockingly poor at complying with their reporting obligations throughout their campaign advocating for 22AKHE.²⁹ None of the respondents provided reports anywhere close to

²⁷ *In re Hospitalization of Heather R.*, 366 P.3d 530, 532 (Alaska 2016).

²⁸ *See Messerli v. State*, 626 P.2d 81, 86–87 (Alaska 1980) (“The effective functioning of our democratic form of government is premised on an informed electorate. . . . Proper evaluation of the arguments made on either side can often be assisted by knowing who is backing each position.”).

²⁹ *See* 2 AAC 50.865(d) (permitting Commission to increase a mitigated penalty to the statutory maximum when the respondent has “a poor reporting history” evidenced by

accurate about the amounts and sources for their campaign spending before the election. None of the respondents complied with our order in case no. 23-01-CD within the 30 days provided for doing so. Only two partially complied after the deadline—and only after we called out their noncompliance in a status update filed in superior court.

The egregious and widespread extent of the respondents' reporting violations is even more clear when taken one by one. Honest Elections has rarely filed a report on time, made significant errors in all its quarterly reports, and left unpaid previous penalties assessed for violations. The Ranked Choice Education Association contributed more than \$65,000 to the 22AKHE effort and even now has reported little of the details, failing to file a single quarterly report out of five that are long due.³⁰ Honest Government has never filed its two required reports in defiance of the law and our previous order. Matthias did not file his required report until our status update pointed out his noncompliance and even then, he misreported the amount of a contribution.

For the penalty calculations, we toll the penalty accruals as of September 9, 2024, the date we accepted the complaint for investigation, rather than as of July 29, 2024, the date the complaint was filed. We see no reason to give the respondents the benefit of stopping the penalty accrual when the complaint was rejected for filing. Typically, we toll penalty accruals when a complaint is filed to allow time for staff to investigate and

indicators such as “more than one late filing in the immediately preceding five years” and prior violations of the campaign statutes).

³⁰ This estimate excludes the roughly \$90,000 of Matthias's own funds that he funneled through the association in violation of the AS 15.13.074(b) prohibition on giving in another's name.

hear from respondents, and for us to make our decision on the merits without a respondent facing the risk that substantial penalties may accrue during the process.³¹

Here, the action on the complaint waited until its acceptance date, which was unusually long after the filing date, and so we toll the penalty accrual as of that later date.

I. The Commission finds reporting violations in quarterly reports filed by Alaskans for Honest Elections and imposes civil penalties totaling \$54,350.

In our previous order, we found reporting violations by Honest Elections because it had not identified Matthias as the true source of the association's purported contributions and had not reported an in-kind donation by Wellspring Ministries, which allowed the initiative group to use its gym for free for a signature-gathering event. Curing these violations required the group to amend its 2023 first quarter and second quarter reports, and its late-filed amendments are inaccurate. The group also filed five other reports with errors. For these violations, we impose total penalties of \$54,350.

The initiative group amended its 2023 first quarter report but did so late and incompletely.³² Incomplete amendments came more than a month after the deadline in our order. The amended report left out Wellspring Ministries' in-kind donation. The

³¹ See *VECO Int'l, Inc. v. Alaska Pub. Offs. Comm'n*, 753 P.2d 703, 717 (Alaska 1988) (describing the "'constitutional tolling doctrine' under which, a party whose conduct is made the subject of an administrative action must be given an opportunity to obtain a judicial test of the validity of such action, and, as a matter of due process, cannot be subjected to risk that substantial penalties will accumulate during the course of the judicial proceeding," but finding it unnecessary to decide whether the doctrine applied to the Commission proceeding in that case (citation omitted)).

³² 2023 First Quarter Report for Alaskans for Honest Elections (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=43148&ViewType=CD>.

amended report also failed to identify Matthias as the source of a contribution. And two contributions had the wrong date. As a result, we conclude that this report has been in violation since the order’s amendment deadline due to these errors:

Report on April 10, 2023	Report on March 7, 2024	Amendment required by order
\$1,000 contribution from the association on Feb. 6, 2023	\$1,000 contribution from Matthias on Feb. 6, 2023	\$1,000 contribution from Matthias on Jan. 9, 2023
\$75,000 contribution from the association on Feb. 8, 2023	\$75,000 contribution from Matthias on Feb. 8, 2023	\$75,000 contribution from Matthias on Feb. 3, 2023
Not reported	Not reported	Estimated value of gym rental for in-kind donation from Wellspring Ministries on Feb. 16, 2023
\$1,382 in-kind donation from the association on Feb. 23, 2023	Not amended	\$1,382 in-kind donation from Matthias on Feb. 23, 2023

We reject two other bases for finding this report in violation. First, we reject the view that the amended report’s inclusion of statements that the changes were made “under protest” somehow violates the reporting statutes. So long as the initiative group provides accurate and complete information required by statute and regulation, the report complies with the law and satisfies the goal of transparency about campaign spending. Second, we do not require changes to the disclosure of the association’s \$2,358 cash contribution made on February 23, 2023. The superior court reversed our finding that the cash was part of Matthias’s contribution and excused the association from reporting the donors of the cash.³³

³³ Order Affirming in Part and Reversing in Part Final Order by APOC Following Petition for Rehearing (July 18, 2024), *Alaskans for Honest Elecs., et al. v. Alaska Pub. Offs. Comm’n*, Case No. 3AN-24-04508 CI, at 29-30 (“APOC acted reasonably in its determination not to assess additional violations for failure to report the *sources* of the cash contributions. . . . Because RCEA was operating under incorrect advice from APOC in February 2023, Appellants were not on notice of their reporting obligations and likely did not advise their contributors that they could not accept cash donations in excess of

Nonetheless, the missing and incorrect information identified in the table above is sufficient to conclude that the 2023 first quarter report remains in violation of the law. We impose the maximum penalty of \$11,000—\$50 per day for the 220 days of violation from the amendment deadline to this complaint’s acceptance date.³⁴

The initiative group also failed to timely and completely amend its 2023 second quarter report.³⁵ The group made incomplete amendments more than a month after the order’s deadline. The amended report identified Matthias as the source of a \$10,260 contribution made on June 11, 2023. This is wrong under the order. The correct amount was \$11,000: \$10,260 from Matthias and the remaining \$740 from the association who should be reported as the contributor with its donors disclosed as true sources. The reported date for this contribution is also wrong; it was May 22, 2023. The amended report was still inaccurate after the superior court revised our findings. The court decided that the \$11,000 contribution was entirely from Matthias, but the report discloses only a \$10,260 donation from him and on the wrong date. Thus, the amended report did not cure the reporting violations.³⁶ We impose the maximum penalty of \$11,000—\$50 per day for

\$100. This is where the form and source of the funds gets intertwined. Because it is not realistic to after the fact trace multiple cash donations back to their original sources, the Court does not disturb APOC’s decision . . . to assess no additional violations or assess any penalties as to the cash contribution.”)

³⁴ AS 15.13.390(a)(4).

³⁵ 2023 Second Quarter Report for Alaskans for Honest Elections (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=43149&ViewType=CD>.

³⁶ The report has an additional error that was not identified in the 23-01-CD order—the overall balance is inaccurate. The beginning balance is reported as \$0, but the group

the 220 days of violation from the order's deadline to this complaint's acceptance date.³⁷

The initiative group's next report, the 2023 third quarter report, was due after staff completed its investigation but before we issued the 23-01-CD order. For this reason, it was not a part of staff's investigation, and we did not previously make explicit findings addressing it. The report was filed 20 days late, and staff separately assessed a \$500 penalty for the lateness, which the initiative group paid.³⁸

In addition to the lateness, the 2023 third quarter report was inaccurate as filed and continues to be incomplete or inaccurate for four reasons.³⁹ First, the report fails altogether to disclose a \$7,479.33 in-kind donation from the association in early September, which the association reported on a statement of contributions report.⁴⁰ (The group's required disclosure of this donation should include the details of what the in-kind donation paid for and should identify the association's donors as the true sources of the contribution.⁴¹) Second, a \$2,000 contribution reported as coming from the association in

began the reporting period with a surplus of \$25,085.70 according to the closing balance on the immediately preceding report.

³⁷ AS 15.13.390(a)(4).

³⁸ Notice of Penalty Assessment for Alaskans for Honest Elections' Third Quarter Report (Nov. 3, 2023), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=25392>; Payment Receipt for Alaskans for Honest Elections (Feb. 26, 2024), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=25632>.

³⁹ 2023 Third Quarter Report for Alaskans for Honest Elections (Oct. 30, 2023), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=42044&ViewType=CD>.

⁴⁰ Statement of Contributions Form 15-5 for Ranked Choice Education Association (Sept. 9, 2023), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4859&ViewType=SC>.

⁴¹ AS 15.13.110(g) (requiring information "on the contributions received and expenditures made"); AS 15.13.040(b) (requiring groups to disclose specific information

early October was actually from Matthias, who identified himself as the contributor of these funds on a statement of contributions report.⁴² Third, the report does not document the July or August replacement of the \$2,358 cash contribution with a check. And third, the report perpetuates an error in the account balance by starting with a beginning cash on hand of \$760. This does not account for the failure to carry over a closing surplus of \$25,085.70 on the first quarter report and the \$740 underreporting of the \$11,000 contribution on the second quarter report. We impose the maximum penalty of \$11,000—\$50 per day for the 220 days of violation from the prior order’s amendment deadline to this complaint’s acceptance date.⁴³

The initiative group’s 2023 fourth quarter report also violated AS 15.13.040(b) and AS 15.13.110(g).⁴⁴ The report was 13 days late, and staff assessed a \$325 penalty for the lateness,⁴⁵ which the initiative group has not yet paid. In addition to the lateness, the

about contributions “in excess of \$100 in the aggregate in a year,” including “the true source of the funds . . . being contributed”); *see* AS 15.13.400(19) (defining “true source” in relevant part as “the person or legal entity whose contribution is funded from wages, investment income, inheritance, or revenue generated from selling goods or services; a person or legal entity who derived funds via contributions, donations, dues, or gifts is not the true source, but rather an intermediary for the true source”).

⁴² Statement of Contributions Form 15-5 for Art Mathias [stet] (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4968&ViewType=SC>.

⁴³ AS 15.13.390(a)(4). This calculation starts the penalty accrual at the amendment deadline because this report was due before we entered the order that gave Honest Elections a 30-day safe harbor “to correct its previous reports.” 23-01-CD Order at p. 32.

⁴⁴ 2023 Fourth Quarter Report for Alaskans for Honest Elections (Jan. 23, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=42298&ViewType=CD>.

⁴⁵ Notice of Penalty Assessment for Alaskans for Honest Elections’ Fourth Quarter Report (Jan. 26, 2024), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=25679>.

report was incomplete and inaccurate. First, the report documented two \$30,000 contributions from the association without disclosing the association's donors as the true sources of the combined \$60,000.⁴⁶ Second, it continued to misreport the account balance due to errors in the previous reports. For the violations, we impose the maximum penalty of \$11,000—\$50 per day for the 220 days of violation from the prior order's amendment deadline to this complaint's acceptance date.⁴⁷

The initiative group's quarterly reports in 2024 are also wrong. On the first quarter report, the group reported a starting balance of \$0 when the prior report closed with a surplus of \$5,210 and that balance was actually much higher due to the prior reporting errors.⁴⁸ The account balance error carried over, making the group's 2024 second quarter and third quarter reports inaccurate, too.⁴⁹ For these violations, we impose the maximum penalty of \$7,350 for the first quarter report—\$50 per day for the 147 days in violation

⁴⁶ AS 15.13.040(b); AS 15.13.400(19).

⁴⁷ AS 15.13.390(a)(4). This calculation starts the penalty accrual at the amendment deadline because this report was due during the order's 30-day safe harbor to file and correct reports.

Staff is also investigating whether the 2023 fourth quarter report accurately reported expenditures made to Top Fundraising Solutions in case no. 23-07-CD. If staff finds a violation and recommends a penalty assessment in that case, staff should be careful to not calculate any penalty accrual that overlaps with the dates for this one.

⁴⁸ 2024 First Quarter Report for Alaskans for Honest Elections (April 15, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=43364&ViewType=CD>.

⁴⁹ 2024 Second Quarter Report for Alaskans for Honest Elections (July 11, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=43619&ViewType=CD>; 2024 Third Quarter Report for Alaskans for Honest Elections (July 11, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=43620&ViewType=CD>.

from the report's filing date to this complaint's acceptance date.⁵⁰ And we impose the maximum penalty of \$3,000 for the second quarter report—\$50 per day for the 60 days in violation from the report's filing date to this complaint's acceptance date.⁵¹ We do not impose a penalty for the third quarter report, which was designated as the group's final report, because its due date fell during staff's investigation of this complaint.⁵²

Honest Elections must correct the violations described above in the seven quarterly and final reports over the course of its 22AKHE campaign. The group owes civil penalties totaling \$54,350 for the violations in six of the reports.

II. The Commission finds that Alaskans for Honest Elections had an inaccurate paid-for-by identifier on its website for 38 days and fines the group \$1,900.

Our previous order found in relevant part that Honest Elections violated the disclosure laws by not naming Matthias as one of its top three contributors.⁵³ The initiative group's website continued to leave Matthias off as a top contributor until at

⁵⁰ AS 15.13.390(a)(1). This calculation starts with the report's filing date, rather than its due date, because we give the initiative group the benefit of the doubt about whether it was already assessed a civil penalty by staff for the five days of lateness. We could not locate a penalty assessment for this late report in the online system.

⁵¹ AS 15.13.390(a)(4). This calculation starts with the report's filing date, rather than due date, because the group was already fined \$50 for being late. Notice of Penalty Assessment for Alaskans for Honest Elections' Second Quarter Report (July 29, 2024), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26055>. As of today, the penalty for lateness has not been paid.

⁵² This third quarter report should have been a 30-day campaign report instead because its due date fell within 30 days of the general election. AS 15.13.110(a)(1), (g). The report type slightly altered the reporting period but did not change the information required on the reports.

⁵³ AS 15.13.074(b); AS 15.13.090(a)(2)(C).

least March 11, 2024—38 days after the order’s compliance deadline. Sometime after date, the group stopped using the website and converted it to Izon’s personal website.⁵⁴ But the failure to identify Matthias as a top contributor for 38 days on the website’s disclaimer was a continuing violation of AS 15.13.090(a)(2)(C). The group’s reports support the conclusion that Matthias remained among the top contributors with the amendments to reflect his contributions. For this violation, we impose a civil penalty of \$1,900—\$50 per day for each of the 38 days of the violation.⁵⁵

There is insufficient evidence to support that other communications attached to the complaint are those of Honest Elections. They were posted to Izon’s personal handle, 907honest. As such, we reject the argument that the initiative group violated AS 15.13.090 by not placing its own and accurate disclaimer on these messages.

III. The Commission finds that Ranked Choice Education Association has not complied with its reporting obligations and fines it \$67,700.

Our previous order found that the Ranked Choice Education Association failed to register before making expenditures, failed to file an independent expenditure report in connection with the December 2022 purchase of its web domain, and failed to file a 2022 fourth quarter report and a 2023 first quarter report.⁵⁶ We ordered the association to register and file the reports by February 2, 2024. The association did not register by the deadline, filed a late and inaccurate independent expenditure report, and did not file other

⁵⁴ Staff Investigation Report (Oct. 22, 2024) at p. 4 & ns. 22-23.

⁵⁵ AS 15.13.390(a)(4).

⁵⁶ AS 15.13.050(a); AS 15.13.040(d); AS 15.13.110(g)–(h).

reports that became due. We consequently impose total penalties of \$67,700.

The association registered as an entity 34 days after the deadline to do so in the order.⁵⁷ For the late filing, we impose the maximum penalty of \$1,700 at \$50 per day for each day the violation continued.⁵⁸

On the same day the association registered, it filed an independent expenditure report, but the report did not comply with our order.⁵⁹ The association did not report the amount, date, and payment method of the December 2022 web domain purchase,⁶⁰ and provided no information about the association's contributions and donors as is required on independent expenditure reports.⁶¹ The report documented a single \$500 in-kind expenditure on January 1, 2023, for providing a link on its website to the initiative group.⁶² We consequently find that the association has not complied with its obligation to

⁵⁷ 2022 Entity Registration for Ranked Choice Education Association (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=1613&ViewType=ER>; 2023 Entity Registration for Ranked Choice Education Association (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=1614&ViewType=ER>.

⁵⁸ AS 15.13.390(a)(4).

⁵⁹ Independent Expenditures Form 15-6 for Ranked Choice Education Association (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=6409&ViewType=IE>.

⁶⁰ 2 AAC 50.270(b).

⁶¹ AS 15.13.040(d)–(e), (q); AS 15.13.400(19).

⁶² The association indicated that the report was filed under protest due to the appeal. But the association did not appeal its obligation to file the independent expenditure and quarterly reports, challenging only the Commission's findings requiring the disclosure of Matthias as a contributor to the initiative group on statement of contributions reports. *See* Status Report re: Final Order, Case No 23-01-CD (Mar. 7, 2024). Nevertheless, for the same reasons as with the initiative group's reports, the Commission does not find that the "under protest" disclaimer is a reporting violation.

file an accurate independent expenditure report. For this violation, we impose a civil penalty of \$11,000 for the 220 days of violation from the order's reporting deadline to this complaint's acceptance.⁶³

The association has never filed the 2022 fourth quarter and 2023 first quarter reports. On these reports, the association would be required to disclose its donors as part of the information on the contributions it has received.⁶⁴ We impose total penalties of \$22,000 for the missing reports. For each report, a penalty of \$50 per day accrued for 220 days of violation from the order's reporting deadline to this complaint's acceptance.⁶⁵

The association was required to file quarterly reports for the rest of 2023, too.⁶⁶ Alaska Statute 15.13.110(g) requires quarterly reports of entities "receiving contributions exceeding \$500 or making expenditures exceeding \$500 in a calendar year in support of . . . an initiative proposal application filed with the lieutenant governor."⁶⁷ The association, created in mid-December 2022, had received more than \$700,000 in

⁶³ AS 15.13.390(a)(1) (providing the penalty accrues at a rate of \$50 per day for each day a violation continues).

⁶⁴ AS 15.13.110(g) (requiring filers of quarterly reports to report "the contributions received" by the filer and "expenditures made" by the filer).

⁶⁵ This amounts to an \$11,000 penalty for each report. AS 15.13.390(a)(4).

⁶⁶ We did not decide this issue in the prior order because these reports were due while the complaint was pending or soon after. The first report was due five days after the complaint was filed in July, the next was due a little over a month after staff issued the investigation report, and the third was due in January ten days after entry of the order.

⁶⁷ The statute specifically requires this of a "person," and by definition, persons include a "corporation," which is the Ranked Choice Education Association's legal status. AS 15.13.110(g); AS 15.13.400(16); AS 01.10.060.

contributions by November 2023,⁶⁸ and supported 22AKHE with donations to the initiative group.⁶⁹ But the association did not file these required quarterly reports. We impose total penalties of \$33,000 for the three missing quarterly reports. For each report, a penalty of \$50 per day accrued for 220 days of violation from the order’s reporting deadline to this complaint’s acceptance.⁷⁰

We do not find that the association’s failures to disclose its donors other than Matthias violated AS 15.13.074(b), requiring imposition of a penalty as high as the trebled amount of the contributions, as the complainant argues.⁷¹ By its plain terms, the second sentence of AS 15.13.074(b), which in part prohibits intermediaries from failing to disclose the true sources, applies only to candidate elections.⁷² In contrast, Matthias

⁶⁸ Nov. 16, 2023, Transcript of Special Meeting for case no. 23-01-CD, at pp. 59-60.

⁶⁹ 2023 Fourth Quarter Report for Alaskans for Honest Elections (Jan. 23, 2024), (showing two \$30,000 contributions by check from the association on Oct. 24, 2023, and Nov. 25, 2023), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=42298&ViewType=CD>.

⁷⁰ AS 15.13.390(a)(4). This amounts to an \$11,000 penalty for each report. The calculation starts the penalty accrual at the amendment deadline because two of these reports were due before we entered the order that gave the association a 30-day safe harbor “to register as an entity and to file required reports” and the third was due during the safe-harbor period. 23-01-CD Order at p. 32.

⁷¹ The complainant asks us to find this violation and impose a penalty that is treble the amount of the contributions for which true sources were not disclosed under AS 15.13.390(a)(3), which applies to violations of AS 15.13.074(b).

⁷² Although it is not a violation of AS 15.13.074(b) allowing for the imposition of penalties under AS 15.13.390(a)(3) for an intermediary to fail to disclose its true sources when making a contribution for or against an initiative, not disclosing the true sources would violate AS 15.13.040(k). *907 Initiative Advisory Op.*, AO No. 24-04-CD (Sept. 9, 2024). Penalties for violations of AS 15.13.040(k) are governed by AS 15.13.390(a)(1).

violated the first sentence of AS 15.13.074(b) that prohibits giving in another's name.⁷³ The situation for the association's other donors is much different than his. As our prior order found, Matthias unlawfully gave to the initiative group in the association's name because he intended to pass his contribution through the association, and he effectuated that intent through his control over the association. But most donors to an intermediary making contributions to an initiative group or making its own direct expenditures to advocate for an initiative do not have such intent or control over the intermediary. They do not violate the prohibition against giving in another's name if they give to an intermediary that has the discretion to spend the funds itself or to transfer the funds to other groups as it sees fit.

Even though the association did not violate AS 15.13.074(b) (other than by allowing Matthias to pass funds through it), the association's other donors still must be named on campaign disclosure reports. The initiative group must report the association as the intermediary and the association's donors as the true sources on the group's quarterly reports filed under AS 15.13.040(b) and AS 15.13.110(g).⁷⁴ The association must report its own contributors on its independent expenditure and quarterly reports filed under AS 15.13.040(e) and AS 15.13.110(g).⁷⁵ And in the future, the association should report itself as the contributor and list its donors as the true sources on its statement of

⁷³ AS 15.13.074(b) ("A person or group may not make a contribution anonymously, using a fictitious name, or using the name of another.").

⁷⁴ See AS 15.13.400(19) (defining "true source").

⁷⁵ See AS 15.13.040(q) (requiring reporting of true sources for reports filed under AS 15.13.040(e)); AS 15.13.400(19) (defining "true source").

contributions reports filed under AS 15.13.040(k).⁷⁶

For the above reasons, the association must correct the reporting violations and file the missing reports as described above. We impose civil penalties totaling \$67,700 on the association for its late, inaccurate, or missing reports.

IV. The Commission finds that Matthias failed to file an accurate statement of contributions and imposes a civil penalty of \$11,000.

Our previous order required Matthias to file a statement of contributions report disclosing his contributions to the initiative group, Honest Elections, by February 2, 2024.⁷⁷ Matthias filed an inaccurate report 34 days late.⁷⁸ Under the order, the late report was inaccurate because it failed to report and attribute the \$2,358 cash contribution to Matthias and it misreported the dates of three contributions. Under the superior court's order, the report accurately left off the \$2,358 in cash because that was not part of Matthias's contribution but misreported the amount of an \$11,000 contribution as only \$10,260 and got the dates wrong for that contribution and two others. The necessary amendments as modified by the superior court order, are shown here:

⁷⁶ *907 Initiative Advisory Op.*, AO No. 24-04-CD (Sept. 9, 2024), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26260> (requiring the reporting of true sources of contributions on AS 15.13.040(k) reports). We are not requiring amendments of the association's past statement of contributions reports to disclose true sources and are not imposing civil penalties for any violations on its 2023 reports (other than the AS 15.13.074(b) violation related to Matthias) because at the time of filing, the online form may have prevented contributors to an initiative group from disclosing true sources on statement of contribution reports. *Id.* (not applying requirement to statement of contributions reports under AS 15.13.040(k) that were filed before November 6, 2024).

⁷⁷ AS 15.13.040(k).

⁷⁸ Statement of Contributions Form 15-5 for Art Mathias [stet] (Mar. 7, 2024), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4968&ViewType=SC>.

Report filed on March 7, 2024	Amendments required by orders
\$1,000 contribution on Feb. 6, 2023	\$1,000 contribution on Jan. 9, 2023
\$75,000 contribution on Feb. 8, 2023	\$75,000 contribution on Feb. 3, 2023
\$10,260 contribution on June 11, 2023	\$11,000 contribution on May 22, 2023

Because of these ongoing inaccuracies, Matthias continued to violate AS 15.13.040(k) even after filing the missing report.⁷⁹

We impose a civil penalty of \$11,000 for the 220 days of violation from our order’s compliance deadline to this complaint’s acceptance date.⁸⁰

V. The Commission finds that Alaskans for Honest Government failed to file two reports and fines the entity \$22,000.

Our previous order required Alaskans for Honest Government to file an independent expenditure report in connection with the purchase of its web domain in October 2022 and to file a 2022 fourth quarter report.⁸¹ To date, neither report has been filed. Although the entity claims that it has not engaged in reportable activity since 2022,⁸² it still must report its activity as required by our previous order. Unlike the other

⁷⁹ Matthias did not commit a reporting violation by designating the form as filed “under protest” for the same reasons that the initiative group’s designation of its amendments as “under protest” was not a reporting violation.

⁸⁰ AS 15.13.090(a)(1).

⁸¹ AS 15.13.040(c)–(d); AS 15.13.110(g)–(h).

⁸² The 23-01-CD order found that the entity’s website still had a pop-up requesting help to repeal ranked-choice voting in Alaska as of July 6, 2023, but the order did not impose requirements on the entity to file 2023 quarterly reports. The duty to file such reports depends on the level of activity. AS 15.13.110(g) (requiring quarterly reports of those “receiving contributions exceeding \$500 or making expenditures exceeding \$500 in a calendar year in support of or in opposition to an initiative on the ballot in a statewide election or an initiative proposal application filed with the lieutenant governor”).

three respondents, it did not appeal any aspect of the order to superior court.

We impose civil penalties totaling \$22,000 for the two missing reports. For each report, the penalty accrued at \$50 per day for 220 days from the order’s reporting deadline to this complaint’s acceptance date.⁸³

ORDER

We find that the violations described above occurred and order the respondents to pay their respective total penalties as shown in this table within 30 days of this order.

Violations by respondent	Dates of violation	Total days	Penalty at \$50 per day
Alaskans for Honest Elections			
2023 1Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 2Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 3Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 4Q report	2/2/2024 to 9/9/2024	220	\$11,000
2024 1Q report	4/15/2024 to 9/9/2024	147	\$7,350
2024 2Q report	7/11/2024 to 9/9/2024	60	\$3,000
Paid-for-by identifier	2/2/2024 to 3/11/2024	38	\$1,900
<i>Total for group</i>			\$56,250
Ranked Choice Education Ass’n			
Registration	2/2/2024 to 3/7/2024	34	\$1,700
IE report	2/2/2024 to 9/9/2024	220	\$11,000
2022 4Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 1Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 2Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 3Q report	2/2/2024 to 9/9/2024	220	\$11,000
2023 4Q report	2/2/2024 to 9/9/2024	220	\$11,000
<i>Total for association</i>			\$67,700
Arthur Matthias			
Stmt. of Cont. report	2/2/2024 to 9/9/2024	220	\$11,000
Alaskans for Honest Government			
2022 4Q report	2/2/2024 to 9/9/2024	220	\$11,000
IE report	2/2/2024 to 9/9/2024	220	\$11,000
<i>Total for entity</i>			\$22,000

⁸³ This amounts to an \$11,000 penalty for each report. AS 15.13.390(a)(1).

We further order:

- Alaskans for Honest Elections to amend all its reports to correct the errors identified in this order within 30 days.
- Ranked Choice Education Association to amend its independent expenditure report to correct the errors identified in this order and to file the five missing quarterly reports within 30 days.
- Alaskans for Honest Government to file the two missing reports within 30 days.
- Matthias to amend the statement of contributions report to correct the errors identified in this order within 30 days.

This is a final Commission order. It may be appealed to the superior court within 30 days from the date of this order.⁸⁴ A request for the Commission to reconsider this order must be filed within 15 days from the date this order is delivered or mailed.⁸⁵

Dated: January 27, 2025

BY ORDER OF THE ALASKA PUBLIC OFFICES COMMISSION⁸⁶

Certificate of Service:

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

Scott Kendall
Sam Gottstein
Cashion Gilmore & Lindemuth
510 L Street, Suite 601
Anchorage, AK 99501
scott@cashiongilmore.com
sam@cashiongilmore.com

Kevin G. Clarkson
Law Office of Kevin G. Clarkson
2223 Latona Drive NE
Keizer, OR 97303
Kclarkson@gci.net

and by **email** to:

Heather Hebdon
Executive Director
Alaska Public Offices Commission
heather.hebdon@alaska.gov


Paralegal


Date

⁸⁴ AS 15.13.380(g); AS 44.62.560; Alaska R. App. P. 602.

⁸⁵ 2 AAC 50.891(g); AS 44.62.540.

⁸⁶ Commissioners Richard Stillie, Dan LaSota, Lanette Blodgett, Eric Feige, and Walt Monegan participated in this matter. The decision was made on a 5–0 vote.