

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

907 INITIATIVE,)
)
 Complainant,)
)
 v.) APOC Case No. **24-08-CD**
)
 FAMILIES OF THE LAST FRONTIER,)
)
 Respondent.)
 _____)

EMERGENCY ORDER

907 Initiative filed a complaint against Families of the Last Frontier (FLF), an independent expenditure group that is spending money to influence the 2024 election. 907 Initiative alleged that FLF failed to disclose the true sources of two contributions, used inaccurate paid-for-by disclaimers on print advertisements, and incorrectly reported a contribution from a sole proprietorship. The Commission agreed to hold an expedited hearing about the complaint.¹ After the expedited hearing, the Commission REMANDS the complaint to staff for further investigation consistent with this order.² The Commission also orders FLF to comply with its statutory obligation to include accurate paid-for-by disclaimers on any future communications.³

907 Initiative raised four allegations. First, it alleged that FLF failed to disclose the true sources of a \$125,000 contribution received from the Republican State

¹ AS 15.13.380(c).

² The investigation should proceed “on a regular rather than an expedited basis.” AS 15.13.380(d)(3) (authorizing Commission to remand expedited complaint).

³ See AS 15.13.090.

Leadership Committee (RSLC). Under AS 15.13.110(k), an entity making independent expenditures in a candidate election that receives a contribution exceeding \$2,000 in a single year “shall report that contribution . . . not later than 24 hours after receipt.” By regulation, the report must include “a certification that all true sources and intermediaries have been disclosed” and, among other things, “the amount of each contribution.”⁴ Under this framework, FLF had an obligation to report that RSLC was an intermediary; the true sources of the contribution were the donors and contributors who gave money to RSLC. To satisfy this obligation, FLF filed a report and attached a CSV file meant to include the true sources of the contribution that was passed through RSLC. However, RSLC has over 130,000 donors and contributors. And when the CSV file submitted by FLF is retrieved from the APOC database, asterisks populate the column that is supposed to show the amount that each donor or contributor gave to RSLC (i.e., the true sources of the contribution to FLF). The Commission REMANDS this issue to staff to investigate why there is a problem with the report and whether it constitutes a violation of Alaska’s campaign finance laws. Staff should also investigate whether a civil penalty should be assessed, and if so, in what amount.

Second, 907 Initiative alleged that FLF failed to disclose the true sources of a \$150,000 contribution it received from GOPAC, Inc. GOPAC is a federally registered political organization. Under federal law, this means that GOPAC is “organized and operated primarily for the purpose of directly or indirectly accepting contributions or

⁴ 2 AAC 50.270.

making expenditures” related to elections.⁵ On a contributor report, GOPAC certified that it was the true source of the contribution to FLF.⁶ Relying on this certification, FLF filed a report saying the same thing—that GOPAC is the true source of the contribution to FLF.

907 Initiative argues that GOPAC cannot be the true source of the contribution to FLF, because it is “operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures” under federal law. Although this suggests that GOPAC might not be the true source of the contribution to FLF, we have recognized that political organizations like GOPAC *can* be the true source of contributions to independent expenditure groups under some circumstances.⁷ And the only evidence in the current record about whether GOPAC is the true source of the contribution is GOPAC’s certification, under penalty of perjury, that it is the true source of the funds. Given this limited evidence, the Commission REMANDS this issue to staff to investigate whether FLF violated Alaska’s campaign disclosure laws by listing GOPAC as the true source of

⁵ 26 U.S.C. § 527(e)(1).

⁶ See AS 15.13.040(r). The GOPAC contributor report is available at: <https://aws.state.ak.us/apocreports/Common/View.aspx?ID=5174&ViewType=SC>

⁷ See Final Order Modifying and Approving Advisory Opinion No. 24-04-CD (Sept. 9, 2024) (effective Nov. 6, 2024) (noting that a political organization is sometimes, but not always, “the true source of its investment income”).

the contribution. If there was a violation, staff should also investigate whether a civil penalty should be assessed, and if so, in what amount.

At the expedited hearing, the parties disagreed about whether and to what extent an independent expenditure group may rely on a contributor's certification that it is the true source of a contribution.⁸ The Commission cannot answer that question in the abstract. However, in conducting its investigation, the Commission requests that staff investigate whether the online process that contributors use to file their reports adequately informs out-of-state contributors about their true-source reporting obligations.⁹ The contributor will almost always be in the best position to know the true sources of their contribution.¹⁰ And if contributors are accurately informed about how to report and certify the true sources of their contributions, including the circumstances under which the contributor is the true source, rather than an intermediary, that makes it easier for recipients and the public to rely on those certifications.

907 Initiative's third allegation is that FLF did not include accurate paid-for-by disclaimers on political communications. Under AS 15.13.090(a), print communications must list the three largest contributors toward the group making the communication. 907 Initiative alleges that FLF mailed a print communication supporting House candidate David Nelson that included an inaccurate paid-for-by disclaimer. It argues that FLF

⁸ See AS 15.13.040(r) (requiring contributor to "report and certify the true sources of the contribution, and intermediaries, if any").

⁹ See *id.*

¹⁰ See *id.* (requiring contributor "to provide the identity of the true source to the recipient of the contribution simultaneously with providing the contribution itself").

should have, but did not, disclose GOPAC as a top three contributor based on when GOPAC contributed \$150,000 to FLF.¹¹ The Commission REMANDS this issue to staff to investigate whether the mailers included an accurate paid-for-by disclosure. If there was a violation, staff should also investigate whether a civil penalty should be assessed, and if so, in what amount.

FLF conceded that these mailers failed to include a statement that FLF is an Outside-funded group. When a group receives “more than 50 percent” of its contributions from true sources outside of Alaska, its print communications must disclose that the group is an Outside-funded entity.¹² There is no dispute that FLF failed to include this disclosure, and FLF conceded at the expedited hearing that this was unlawful.¹³ The Commission REMANDS this issue to staff to investigate whether a civil penalty should be assessed, and if so, in what amount.

Fourth and finally, 907 Initiative alleged that FLF inaccurately reported a contribution received from a sole proprietorship. Alaska law allows independent expenditure groups to accept contributions from sole proprietorships.¹⁴ But they must be “identified as a contribution by the owner of the sole proprietorship,” not the business

¹¹ The Commission notes that the “date a contribution was timely reported, rather than the date the contribution was received, controls for the purpose of determining when the 12-month look-back period” for identifying top-three contributors ends. *Yes on 2 for Better Elections v. Defend Alaska Elections — Vote No on 2*, Emergency APOC Order Case No. 20-06-CD (Oct. 8, 2020).

¹² AS 15.13.400; AS 14.13.090(g).

¹³ FLF also self-reported this violation to staff before the complaint was filed.

¹⁴ 2 AAC 50.250(c).

entity.¹⁵ Here, FLF accepted a \$22,000 contribution from a business called Arctic E&P Advisors, which was at one point registered as a sole proprietorship owned by Randolph Ruedrich. Although FLF disclosed this contribution, it reported the contributor as Arctic E&P, not its owner, Randolph Ruedrich. This violated 2 AAC 50.250(c), and there is evidence in the record that this violation may have led to inaccurate paid-for-by disclaimers. Specifically, there is a mailer listing Arctic E&P as a top-three contributor to FLF, which should probably list Randolph Ruedrich instead. The Commission orders FLF to comply with its statutory duty to accurately disclose its top three contributors on future political communications, which might include listing Randolph Ruedrich as a top contributor depending on FLF's most recent reporting.¹⁶ This issue is REMANDED to staff for investigation whether a civil penalty should be assessed, and if so, in what amount.

This is not a final Commission order for the purposes of an appeal to superior court because the Commission has not yet resolved all the issues raised in the complaint, nor has it decided what penalty amount, if any, is appropriate.

¹⁵ 2 AAC 50.250(c)(1).

¹⁶ See AS 15.13.090.

Dated: October 31, 2024.

BY ORDER OF THE ALASKA PUBLIC OFFICES COMMISSION¹⁷

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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10.31.24

Date

¹⁷ Commissioners Richard Stillie, Dan LaSota, Eric Feige, Lanette Blodgett, and Walt Monegan participated in this decision. The decision was made on a 5-0 vote. Commissioner Feige was not present at the expedited hearing, but he reviewed the entire administrative record and was present for deliberations before participating in the vote.