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In the matter of Late Campaign Finance Transactions filed by) STIPULATION and
Democratic Party of Oregon, Eddy Morales, Treasurer, in the) FINAL ORDER
month of October 2022)

May 11, 2023

Case Number: 2023-0286

STIPULATION

1. The Secretary of State’s Elections Division (the “Elections Division”) commenced this administrative proceeding pursuant to ORS 260.232 and ORS chapter 183, having reviewed the files and records of the Elections Division;

2. The parties wish to resolve this matter without a hearing and in a manner that reduces related costs and expenses, as well as serves the public interest in past and future transparency in campaign finance contribution records; and

3. The parties agree to resolve the above encaptioned matter, related to violations of Oregon campaign finance law set out in the February 22, 2023, Notice of Proposed Civil Penalty, and the Elections Division’s concurrent investigation into potential criminal violations of ORS 260.402 by the Democratic Party of Oregon (the “DPO”) or its agents, on the following terms pursuant to ORS 183.417(3):

Findings of Fact and Conclusions:

4. Before October 4, 2022, a fundraiser working under contract with the DPO communicated with Nishad Singh or his agents about a potential contribution to the DPO.

5. On October 4, 2022, the DPO received a \$500,000 campaign contribution through a wire transfer that listed Prime Trust LLC as the originator.

6. Thereafter, the DPO’s Compliance Director asked Nishad Singh or his agents whether he or Prime Trust LLC was the “donor of record” for the \$500,000 contribution. She received no response.

7. On October 7, 2022, the DPO emailed the fundraiser, noting that it intended to list Prime Trust LLC as a top contributor on DPO’s required advertising disclosure.

8. That same day, the fundraiser forwarded the Compliance Director’s email to Mr. Singh’s representatives, stating that the Compliance Director had not heard from Mr. Singh and asking whether the contribution should be in Mr. Singh’s name or in the name of Prime Trust LLC.

9. Later that day, Mr. Singh's representative responded, "Nishad prefers Prime Trust (though not strongly) so go w[ith] that." The fundraiser then told the DPO to disclose the contribution as coming from Prime Trust LLC.

10. On October 9, 2022, the DPO disclosed a contribution of \$500,000 from Prime Trust LLC with a transaction date of October 4, 2022.

11. On October 28, 2022, the fundraiser received a message from Mr. Singh's representatives stating that Mr. Singh had made the October 4, 2022, contribution personally and not on behalf of Prime Trust. The fundraiser reported this information to the DPO and also forwarded the October 7, 2022, correspondence described above.

12. On October 31, 2022, the DPO amended the October 9, 2022, contribution disclosure to reflect that the contributor was Nishad Singh and not Prime Trust LLC.

13. On February 22, 2023, the Elections Division served a Notice of Proposed Civil Penalty on the DPO, related to violations of ORS 260.057 and a proposed civil penalty pursuant to ORS 260.232 (the "February 22, 2023, Notice of Proposed Civil Penalty").

14. On February 28, 2023, in *United States of America v. Nishad Singh*, (USDC SDNY No. 22CR00673-LAK, (the "Plea Hearing Transcript")), Nishad Singh admitted, under oath, to the following:

- a. "In 2022, I agreed with others at FTX and Alameda to make political donations in my name that were funded in part by transfers from Alameda";
- b. "I understood that the donations were in part for the benefit of Sam Bankman-Fried and FTX and their ability to be politically influential";
- c. "I also understood that any reporting of the donations would conceal that the money came from Alameda";
- d. "And I knew at that time that Alameda money had to be coming, effectively, from FTX customer funds"; and
- e. "I knew that this misleading information about the campaign donations, that said that I made the donations, would be reported by the government."

15. The DPO received a letter dated April 13, 2023, from the United States Department of Justice, U.S. Attorney's Office for the Southern District of New York (the "U.S. Department of Justice"), (the "April 13, 2023, U.S. Department of Justice Letter"), stating in part that the U.S. Department of Justice has "cause to believe that [the \$500,000 contribution at issue in this case] represent[s] the proceeds of [Samuel] Bankman-Fried's crimes. . . ."

16. The DPO admits the facts described in Paragraphs 1-15, accepts responsibility for the violation as set out in the February 22, 2023, Notice of Proposed Civil Penalty, and admits that the Elections Division has the authority to enter an order finding that those violations were committed as alleged in the February 22, 2023, Notice of Proposed Civil Penalty. In addition, the parties agree that it is reasonable to mitigate the proposed civil penalty because (a) the Plea Hearing Transcript demonstrates that Mr. Singh engaged in a pattern of concealing the true donor of donations with which he was involved and (b) because in this stipulation, the DPO is

agreeing to measures intended to strengthen its efforts to disclose the true donor(s) of its future donations.

17. The Elections Division finds that the facts and allegations in the February 22, 2023, Notice of Proposed Civil Penalty and in Paragraphs 1-15 are true, and hereby adopts and incorporates by reference the facts and allegations of that Notice into this Stipulation and Final Order. The Elections Division further finds that the DPO committed the violation alleged in the February 22, 2023, Notice of Proposed Civil Penalty and that the proposed fine should be mitigated based on the above facts and the agreements in this stipulation.

18. Based on the representations in the April 13, 2023, U.S. Department of Justice Letter and the Plea Hearing Transcript, both parties stipulate that, on October 4, 2022, the DPO received a \$500,000 contribution from another party to be later determined.

19. For purposes of this stipulation, the DPO is subject to enforcement action pursuant to ORS 260.232.

20. Under ORS 260.232, the Elections Division may impose civil penalties, not to exceed ten percent of the total amount of the contribution, for each late transaction.

ACTION

21. Pursuant to ORS 260.232, the DPO is assessed a civil penalty of \$15,000. The DPO shall remit a payment of the penalty within 30 days of the effective date of this Stipulation. Payment may be made by wire or cashier's check payable to Oregon Secretary of State, Elections Division. If delivered or mailed, the payment shall be remitted to the Elections Division at 255 Capitol St. NE, Suite 501, Salem, OR 97310. In addition to that \$15,000 penalty, additional civil penalties in the amount of \$20,000 shall be suspended pending satisfaction of the provisions set out in Paragraph 22 below. If all the provisions set out in Paragraph 22 are satisfied by the required dates listed below, then the suspended portion of the civil penalties imposed shall be deemed satisfied. If all of the provisions set forth in Paragraph 22 are not satisfied, then the suspended portion of the civil penalties shall be deemed to be reinstated and becomes immediately due and payable. If a payment is not made timely, the DPO shall have 30 days to cure, at which time suspended and unsuspended portions of the civil penalty shall be deemed to be reinstated and become immediately due and payable.

22. Beginning on the date that this Stipulation and Final Order is fully executed, continuing through December 31, 2024, the DPO shall:

a. On or before September 1, 2023, submit to the Elections Division a detailed outline summarizing its policies, procedures, and practices associated with confirming the true identity of contributors and reporting accurate campaign finance contributions through the 2024 election cycle. The detailed outline shall include, at a minimum:

i. A description of whether the individuals engaged in such activities are employees, volunteers, contractors, or any combination thereof;

ii. A description, and copies, of the training and training materials provided to the individuals engaged in such activities;

iii. A description of the process used to obtain and thereafter confirm the true source and identity of the contributor of any contribution to the DPO;

iv. A description of the training provided to the individuals engaged in such activities regarding how to handle anonymous contributions if the identity of the contributor is unclear or unknown;

v. A description of the procedures used to track and timely report accurate campaign finance contributions to the DPO; and

vi. A description of the procedures used to track and timely amend late or insufficient campaign finance contributions to the DPO.

b. Submit a quarterly report by September 15, 2023, January 15, 2024, April 15, 2024, September 15, 2024, and December 31, 2024, detailing the steps that the DPO has taken during the preceding quarter to comply with this Stipulation and Final Order, including the outline submitted by the DPO pursuant to the paragraph above. The quarterly reports need not contain specific donor information, but shall focus on DPO's processes and procedures, such as the types of procedures identified in Paragraph 22(a). The Elections Division shall have 30 business days to review the completed quarterly reports provided by the DPO and return any guidance or required revisions at the direction of the Elections Division. Any guidance or required revisions provided by the Elections Division shall not constitute affirmation by the Elections Division that the DPO has necessarily complied with any laws or regulations.

c. Provide all documentation to support the accuracy of contributions to the DPO (including documentation reflecting the process to confirm the true identity of the contributor), upon request of the Elections Division. For purposes of this Paragraph 22(c), the Elections Division shall select 25 contributions per quarter for enhanced review and shall request documentation if necessary to complete its enhanced review of those contributions. The Elections Division shall select those contributions randomly from contributions that are from LLCs or LLC accounts, or from contributions that are \$5,000 or larger.

23. To the extent the DPO is later informed by federal or state law enforcement officials of the correct identity of the \$500,000 contributor, and anytime thereafter as may be necessary to comply with Oregon campaign finance law, the DPO shall amend Transaction ID No. 4394693 to reflect the accurate identity of the contributor.

24. For the reasons set forth in Paragraph 23(d), the parties agree that, under ORS 260.232, the Elections Division may impose additional civil penalties, up to an additional \$15,000 on the DPO to reflect future late amendments of Transaction ID No. 4394693 as described in Paragraph 24. If the DPO amends the transaction because it learns the identity of the \$500,000 contributor from federal or state law enforcement, the Secretary shall suspend any additional penalty until at least January 1, 2025. If, at that time, all the provisions set out in Paragraphs 22 and 23 have been satisfied, then the Elections Division shall suspend and then waive those additional civil penalties. However, if all of the provisions set forth in Paragraphs 22 and 23 are not satisfied at that time, then the Elections Division shall commence further administrative proceedings to collect the additional civil penalties described in this paragraph.

25. For the reasons set forth above, the Elections Division agrees that it will close and will not pursue its concurrent investigation into potential criminal violations of ORS 260.402 by the DPO associated with the \$500,000 contribution. However, if in the future the Elections Division learns new and material facts concerning the \$500,000 contribution, not previously disclosed by DPO to the Elections Division, then the Elections Division may reopen its investigation into potential criminal violations of ORS 260.402 by the DPO associated with the \$500,000 contribution. Nothing in this Paragraph 25 shall be construed to bind any action by the Oregon Department of Justice or any other agency other than the Elections Division.

MISCELLANEOUS

26. The DPO consents to the entry of this Stipulation and Final Order, including the civil penalties set out above, and hereby waives any and all hearing rights as well as any rights to judicial or administrative review of this order.

27. The undersigned officer of the DPO shall notify any other officers, assigns, or successors of the requirements of this Stipulation and Final Order within 10 business days of the date of this Stipulation and Final Order is fully executed such that the DPO, its successors or assigns, may continue to fulfill its obligations hereunder in the event of a change in organization, key staff, or officers.

28. For the purpose of securing compliance with this Stipulation and Final Order, the DPO shall fully and completely cooperate in any future investigation for violation(s) of this Stipulation and Final Order or any matters related thereto.

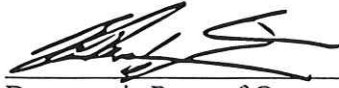
29. The authority to enforce this Stipulation and Final Order shall be in addition to any other enforcement action authority the Elections Division may have in investigating violations of Oregon election law by the DPO or others.

30. Each party represents that the signatories below are fully authorized to enter into this Stipulation and Final Order on behalf of the party that the individual purports to represent, and to bind the party to this document.

31. Each party represents that this agreement has been negotiated and prepared by the parties and their respective counsel, and should any provision of this Stipulation and Final Order require judicial interpretation, the court interpreting or construing the provision shall not apply the rule of construction that a document is to be construed more strictly against one party.

32. Once this Stipulation and Final Order is fully executed, this represents the complete agreement of the parties. Nothing herein shall give standing to any person not a party hereto to seek any relief related to it.

33. This Stipulation and Final Order may be signed by the parties in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation and Final Order. Signatures delivered by facsimile transmission, electronic signatures, or as .pdf attachments to emails shall constitute acceptable, binding signatures for purposes of this document.



Democratic Party of Oregon
Eddy Morales, Treasurer

5/11/2023

Date



Democratic Party of Oregon
Brad Martin, Executive Director

5/11/2023

Date

FINAL ORDER

The Secretary incorporates herein the above Stipulations, adopts this order as the Secretary's final decision in this matter, and orders that the actions stated herein be taken.

IT IS SO ORDERED



Alma Whalen, Elections Program Manager
Secretary of State, Elections Division

5/12/2023

Date