

[TAB 10]

Complaint 25-19-CD

Mike Alexander v. Shelley Hughes

Presented By:

Kim Stone, Campaign Disclosure Coordinator

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

Michael Alexander,)	
)	
Complainant,)	
)	
vs.)	Case No. 25-19-CD
)	
Shelley Hughes)	
)	
Respondent.)	
)	

NOTICE OF HEARING AND PROCEDURAL ORDER

A hearing in these cases will take place before the Alaska Public Offices Commission at approximately 2:00 p.m. on Wednesday January 14, 2026.

The Commissioners will be present in person, by telephone, or via Microsoft Teams and will receive evidence regarding this matter. You may be present at the hearing either by telephone (1-907-202-7104, Access Code: 382 982 822#), in-person (2221 E. Northern Lights Blvd, Ste 128, Anchorage, Alaska), or via [Microsoft Teams Meeting](#).¹ You may be, but are not required to be, represented by an attorney or agent.

If you wish to participate by telephone and are an individual who requires a special accommodation to participate, you must advise the Commission office on or before January 7, 2026, so that a special accommodation can be made.

PREHEARING AND HEARING PROCEDURES

- 1) Parties.** The parties in this case are Commission Staff and Respondent.
- 2) Issues.** At the hearing, the Commission will consider whether Respondent properly disclosed and detailed campaign expenditures during her 2020 campaign.
- 3) Procedural history.** Complainant Michael Alexander filed a complaint against respondent Shelley Hughes on September 29, 2025. Respondent filed a response to the complaint on October 21, 2025. Staff's investigation report recommending the complaint be upheld in part and dismissed in part was issued December 24, 2025.

¹ Meeting ID: 237 734 363 936 42, Passcode: iz3Ps6vV

- 4) Hearing procedures.** The hearing will be conducted as provided in AS 15.13.380, 2 AAC 50.891, and the Alaska Administrative Procedure Act, AS 44.62.330 – 44.62.630. All testimony must be presented or submitted under oath. A party may call witnesses, cross-examine witnesses, present and rebut evidence. If the respondent does not testify, the respondent may be called and examined as if under cross-examination.
- 5) Evidence and exhibits.** All relevant evidence may be admissible at the hearing. In passing upon the admissibility of evidence, the Commission may consider, but is not bound to follow, the rules of evidence governing general civil proceedings in the courts of the State of Alaska. The Commission may exclude inadmissible evidence and order repetitive evidence discontinued.
- 6) Prehearing filings.** No later than January 6, 2026, a party:
- a) may file a list of witnesses expected to testify at the hearing;
 - b) may file copies of exhibits to be presented at the hearing that are marked and identified (for example, Resp.'s Ex. A);
 - c) may file a prehearing memorandum;
 - d) may file prehearing motions, including motions to dismiss, for summary judgment, or to exclude evidence, and
 - e) shall serve all parties and the Complainant with filings submitted.
- 7) Response to motions and requests for subpoenas.** No later than January 13, 2026, a party
- a) may respond to a motion; and
 - b) may request the Commission to issue subpoenas to compel the attendance of witnesses, the production of documents, or other things related to the subject of the hearing, and is responsible for serving the subpoena and paying the appropriate witness fee.
- 8) Extensions of time.** Requests to extend the deadlines in this order must be in writing, filed with the Commission, served on all parties and the Complainant, and supported by good cause.
- 9) Burden of proof.** The Commission staff has the burden to prove any charges by a preponderance of the evidence.

10) Order of proceedings. Matters considered at a hearing will ordinarily be disposed of in substantially the following order:

- a) pending motions, if any;
- b) complainant may present argument under 2 AAC 50.891(d)
- c) presentation of cases as follows, unless otherwise ordered by the Commission:
 - i) The Commission Staff's direct case, including the investigative report, evidence, and testimony of witnesses;
 - ii) Respondent's direct case;
 - iii) Rebuttal by the Commission Staff; and
 - iv) Closing statements, if any, by Respondent and Commission Staff.

10) Decision and Order. The Commission will issue an order no later than 10 days after the close of the record.

Dated: December 26, 2026



Heather Hebdon, Executive Director
Alaska Public Offices Commission

CERTIFICATE OF SERVICE: I hereby certify that on this date, I caused a true and correct copy of the foregoing to be delivered to:	
Michael Alexander PO Box 521171 Big Lake, AK 99652 BigLakeMike907@outlook.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Email
Shelley Hughes PO Box 1496 Anchorage, AK 99645 Hughes@AlaskansForHughes.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Email

Cari Rousselle

Signature

12-16-25

Date



TO: APOC Commissioners
DATE: December 24, 2025
FROM: Kim Stone, Campaign Disclosure Coordinator
SUBJECT: Staff Report 25-19-CD, *Alexander v. Hughes*

SUMMARY OF COMPLAINT AND RESPONSE

Complainant Michael Alexander alleges Respondent Shelley Hughes violated campaign disclosure law by failing to provide detailed descriptions of services provided by campaign consultants and advertising agencies.¹ Respondent Hughes does not dispute the specific allegations and accepts “the responsibility to know the law” but asks the Commission to consider additional factors.²

SUMMARY OF STAFF RECOMMENDATIONS

Respondent’s descriptions of her campaign’s expenditures to Optima Public Relations and Imperial Independent Media, businesses that are advertising agencies or offer campaign consultation or management services, did not disclose in detail all services rendered, as required. APOC staff recommends a finding of violation for Respondent’s reports listing those services, but also recommends a reduced penalty as it is Respondent’s first violation and mitigating factors apply.

APOC staff additionally finds Respondent was not required to break down, by dollar amount, the individual costs for each good or service provided by the business or paid to subcontractors, either for general expenditures or for expenditures to advertising agencies or campaign management and consulting services.

¹ [Complaint 25-19-CD](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271>.

² [Hughes Response to Complaint](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27289), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27289>.

BACKGROUND FACTS

Respondent Hughes was a candidate for reelection to the State Senate during the 2020 state election. During her campaign, Respondent made expenditures to campaign vendors, reporting them (in relevant part) on her 30-day general³ and 7-day general reports⁴ in October of 2020.

Complainant points to Respondent's expenditures to Optima Public Relations (Optima) and Imperial Independent Media (Imperial) and argues Respondent's descriptions of those expenditures "violated multiple sections . . . of AS 15.13.040 and 2 AAC 50.321."⁵ Respondent reported her four purchases from Optima, totaling \$11,745, on her 30-day general report, and two purchases from Imperial, totaling \$1,300, on her 7-day general report. Complainant points to Respondent's reporting of these campaign vendors as a violation of campaign disclosure law and additionally argues that the law requires a breakdown of individual costs by vendor.

LAW AND APOC HISTORICAL APPROACH TO EXPENDITURE REPORTING

Alaska campaign disclosure law requires candidates to disclose expenditures and debts incurred by their campaigns. These disclosures are documented in reports. For each campaign, mandatory APOC reports include a year-start report, 30-day and 7-day reports for the primary and general elections, and a year-end report.⁶ An expenditure includes "a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of . . . influencing the nomination or election of a candidate."⁷

For expenditures to vendors who provide general campaign goods and services, 2 AAC 50.321(a)(5) requires a candidate to report:

(A) the date of payment;

³ [30-day report](https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=31516&ViewType=CD), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=31516&ViewType=CD>.

⁴ [7-day report](https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=32056&ViewType=CD), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=32056&ViewType=CD>.

⁵ [Complaint 25-19-CD](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271>.

⁶ AS 15.13.110.

⁷ AS 15.13.400(7)(A)(i).

- (B) the check number or the identifying transaction number. . . ;
- (C) the name and address of the payee;
- (D) the purpose of the expenditure; and
- (E) the amount of the expenditure . . .⁸

By comparison, for expenditures to advertising agencies or those who provide campaign consultation or management services, 2 AAC 50.321(d) requires a candidate to report “in detail all services rendered, including the name of each business from which campaign goods or services were purchased or subcontracted or media advertising placed, and the amount of the expenditure.”⁹

APOC’s 2024 Candidate Campaign training materials reflect these regulations and outline the enhanced level of detail a candidate must provide under .321(d). As APOC instructs in its Candidate Training Presentation, “(w)hen reporting expenditures for campaign consulting or media buys, you must detail the services provided and subcontractors (includes identifying radio/tv stations where media was placed).”¹⁰

Past guidance from APOC staff echoes these training materials and provides examples of proper reporting. In an email sent to all candidates and their treasurers in July 2020, staff outlined how candidates could meet 2 AAC 50.321(d)’s requirements:

Basically, what this means is that the services provided must be disclosed along with any subcontractors used by the consultant, agency or service. An example might be, “Tom’s consulting service for creation and placing of social media on Facebook and Twitter” or “Tom’s consulting service for production and placement of radio and tv advertising on stations x, y and z.”¹¹

Alaska campaign disclosure law also imposes separate recordkeeping requirements for expenditures made to advertising agencies and businesses providing campaign

⁸ AS 15.13.040(a)(1)(A); 2 AAC 50.321(a)(5) (emphasis added).

⁹ 2 AAC 50.321(d).

¹⁰ [Campaign Disclosure, Alaska Public Offices Commission, State of Alaska](https://apoc.doa.alaska.gov/media/edrdbcp/cdt-2024-candidate-training-manual.pdf) Candidate Training Presentation at p. 13 (emphasis in original), <https://apoc.doa.alaska.gov/media/edrdbcp/cdt-2024-candidate-training-manual.pdf>.

¹¹ Exhibit 1, APOC email guidance, July 22, 2020.

consultation or management services.¹² Upon request of the Commission, a candidate must make the records available for inspection.¹³

When APOC receives a properly filed complaint, Commission staff must undertake an investigation and present the investigation report.¹⁴ Staff bears the burden of proving a violation by a preponderance of the evidence.¹⁵ A complaint must include “a clear and concise description of facts that, if true,” would violate relevant statutes.¹⁶

ANALYSIS

As a preliminary matter, Complainant Alexander has filed nine complaints in the past year, most of them raising allegations made by a third party during a previous Commission hearing.

For the campaign vendors Complainant identified, APOC staff reviewed both the nature of the business and the nature of Respondent’s expenditures to them. APOC staff also considered Complainant’s argument that 2 AAC 50.321 requires itemizing individual dollar amounts within a single vendor contract.

- a. Respondent’s reporting of expenditures made to advertising agencies or businesses providing consulting or management services does not meet 2 AAC 50.321(d) requirements

The complaint alleges Respondent’s descriptions of expenditures to Optima and Imperial failed to comply with campaign disclosure laws.

Optima Public Relations offers services for campaigns and elections and is a member of the American Association of Political Consultants.¹⁷ According to its website,

¹² 2 AAC 50.320(a) and (b).

¹³ AS 15.13.040(f) (vendor recordkeeping requirements and inspection provision); AS 15.13.045 (relating to Commission’s ability to conduct investigations and examine records); 2 AAC 50.806 (inspection and preservation of records).

¹⁴ 2 AAC 50.870; 2 AAC 50.891.

¹⁵ 2 AAC 50.891(d).

¹⁶ 2 AAC 50.870(b)(4).

¹⁷ [Optima Public Relations Campaigns & Elections](https://optimapublicrelations.com/campaigns-elections/), <https://optimapublicrelations.com/campaigns-elections/>, accessed December 18, 2025.

“Optima’s niche is political messaging and communications.”¹⁸ Optima’s State of Alaska business license classifies its business services under the NAICS codes for “advertising agencies,” “graphic design services,” public relations agencies,” media buying agencies,” and “indoor and outdoor display advertising.”¹⁹ Respondent described her \$11,745 in expenditures to Optima as:

- August 14, 2020: \$420 for “advertising print (Make-A-Scene)”
- September 15, 2020: \$1,075 for "graphic design, web design/management support, print ad (Make a Scene) print ad (Senior Voice)”
- September 18, 2020: \$5,125 for “graphic design rack card and mailer, digital display ads”
- September 29, 2020: \$5,125 for “radio ads”

After the complaint was filed, on October 21, 2025, Respondent amended her 30-day report to add the following language to two of the original descriptions:

- September 18, 2020: \$5,125 for “graphic design rack card and mailer, online digital display ads geo-targeted to senate district area”
- September 29, 2020: \$5,125 for “for in-house graphic design for mailer, for radio ads (subvendors:KMBQ 99.7 FM Q 99.7, KAYO 100.9 FM Country Classics, KVNT 1020 AM & 92.5 FM / Valley News Talk, Tom Anderson Show, KENI 650 AM / News Talk, Dan Fagan Show, Mike Porcaro Show).”²⁰

Regarding **Imperial Independent Media**, the company includes only two statements about itself on its website: (1) it is a “U.S.-based global consulting firm specializing in communications, development, and relationship-building for leading organizations, brands, personalities, campaigns, and movements” and (2) it “considers new

¹⁸ *Id.*

¹⁹ [Division of Corporations, Business and Professional Licensing](https://www.commerce.alaska.gov/cbp/businesslicense/search/License),

<https://www.commerce.alaska.gov/cbp/businesslicense/search/License>, State of Alaska business license search, accessed December 18, 2025.

²⁰ [Amended 30-day report](https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=48251&ViewType=CD),

<https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=48251&ViewType=CD>, filed October 21, 2025.

clients by referral only.”²¹ Imperial’s most recent State of Alaska business license lists is activities under “graphic design services” and “media buying agencies.”²² Respondent reported her two purchases from Imperial, totaling \$1,300, on her 7-day general report:

- October 8, 2020: \$650 for “digital ad, design time”
- October 23, 2020: \$650 for “digital ad; design work”

After the complaint was filed, on October 21, 2025, Respondent amended her 7-day report to describe the expenditures as follows:

- October 8, 2020: \$650 for “online digital ads geo-targeted to senate district area, design time” and
- October 23, 2020: \$650 for “online digital ads geo-targeted to senate district area, design time.”²³

Based upon Optima’s and Imperial’s descriptions of themselves found in their respective websites and State of Alaska business information, information provided by Respondent in her response to the complaint and in her amended 30-day and 7-day reports, APOC staff finds Optima and Imperial both may be considered either an advertising agency or a business “that provides campaign consultation or management services” under 2 AAC 50.321(d). Candidates making expenditures to such businesses “must disclose in detail all services rendered, including the name of each business from which campaign goods or services were purchased or subcontracted or media advertising placed.”²⁴

Having found 2 AAC 50.321(d) required Respondent to provide greater details of her expenditures to Optima and Imperial, the next inquiry is whether the campaign’s descriptions of the individual purchases met this standard.

²¹ [Imperial Independent Media](https://imperial-media.com/), <https://imperial-media.com/>, accessed December 19, 2025.

²² [Imperial Independent Media, LLC #2112161](https://www.commerce.alaska.gov/cbp/businesslicense/search/License),

<https://www.commerce.alaska.gov/cbp/businesslicense/search/License> , State of Alaska business license search, accessed December 19, 2025.

²³ [Amended 7-day report](#),

<https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=48257&ViewType=CD>, filed October 21, 2025.

²⁴ 2 AAC 50.321(d).

Respondent's reporting of Optima services of **August 14, 2020** and **September 15, 2020**, while providing minimal information, appears to disclose both the service rendered ("advertising print" and "graphic design, web design/management support") and "the name of each business" where Optima apparently placed the media advertising ("Make-A-Scene" and "Senior Voice"). APOC staff notes that a few more descriptive words might have assisted the statewide general public in understanding that "Make A Scene" and "Senior Voice" are publications, but the lack of detail does not render the reporting incomplete.

For the remainder of the campaign's expenditures to Optima (September 18, 2020 and September 29, 2020) and to Imperial (October 8, 2020 and October 23, 2020), Respondent's reporting did not provide the level of detail required by the regulation. Respondent does not contest this aspect of the complaint and, to her credit, shortly after its filing, took action to bring her reporting into compliance under the regulation. As described above, details in her amended 30-day report now include, for Optima, additional information stating how and where the digital ads were carried, and, rather than simply "radio ads," now identify the services provided and radio stations and shows where Optima placed the advertising. For services purchased from Imperial, details in Respondent's amended 7-day report now include details of how and where the digital ads were carried.

APOC staff therefore finds Respondent's descriptions as originally filed did not meet the regulatory requirement.²⁵ Failing to provide this detail violated AS 15.13.040(a) and 2 AAC 50.321(d), rendering Respondent's 30-day general and 7-day general reports incomplete.

Respondent, as noted, does not dispute that the complained-of expenditures failed to comply with regulatory requirements, and emphasizes her support for the idea that "ignorance of the law is no excuse." She suggests, however, that compliance with the regulation at issue is very difficult because APOC provides no training materials or

²⁵ *Id.*

guidance concerning 2 AAC 50.321(d)’s requirements. **This is incorrect, particularly as it relates to Respondent.**

As discussed in the Law section, above, APOC’s 2024 Candidate Campaign training materials, available at any time online on the APOC website, discuss the enhanced level of detail a candidate must provide under .321(d). The training materials emphasize, with underlined script, that “(w)hen reporting expenditures for campaign consulting or media buys, you must detail the services provided and subcontractors (includes identifying radio/tv stations where media was placed).”²⁶

Also described in the Law section of this staff report is how APOC staff, in July 2020 (just three months before Respondent filed her 2020 30- and 7-day reports) sent to all candidates and their treasurers an email, warning them:

We are receiving many inquiries concerning insufficient detail in campaign disclosure reports when reporting expenditures for advertising agencies, management consultants and other campaign management services. Simply stating “campaign advertising” or “management consultant”, for example is not consistent with . . . 2 AAC 50.321(d).²⁷

The APOC staff email next outlined how candidates could meet 2 AAC 50.321(d)’s requirements:

Basically, what this means is that the services provided must be disclosed along with any subcontractors used by the consultant, agency or service. An example might be, “Tom’s consulting service for creation and placing of social media on Facebook and Twitter” or “Tom’s consulting service for production and placement of radio and tv advertising on stations x, y and z.”²⁸

Finally, while many years have passed in the interim, APOC has previously and specifically warned Respondent that her reports did not meet 2 AAC 50.321(d) standards. On October 3, 2014, APOC advised Respondent via email and US mail that her 7-day

²⁶ [Campaign Disclosure, Alaska Public Offices Commission, State of Alaska](https://apoc.doa.alaska.gov/media/edrdbcp/cdt-2024-candidate-training-manual.pdf) Candidate Training Presentation at p. 13 (emphasis in original), <https://apoc.doa.alaska.gov/media/edrdbcp/cdt-2024-candidate-training-manual.pdf>.

²⁷ Exhibit 1, APOC email guidance, July 22, 2020.

²⁸ *Id.*

report “disclosed numerous expenditures” – including to Optima Public Relations – “without detailing the services rendered as required by 2 AAC 50.321(d).”²⁹ The letter explained the regulation’s requirements and directed Respondent to “add more description for these expenses to comply.”³⁰ Respondent thereafter amended her 2014 report to identify the radio stations where Optima placed advertising (amended wording highlighted):

07/29/2014	Debit Card	Optima Public Relations 165 George Parks Hwy Ste 205 B Wasilla, Alaska 99654	Advertising Radio - KAYO, KVNT, KMBQ, KENI August	\$3,231.00
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In other words, the expenditure information at issue in the current complaint concerns the same regulation and the same missing details as Respondent’s 2014 report that APOC advised her to correct, and one of the 2014 expenditures was to the same vendor (Optima Public Relations) for the same type of expenditure (radio ads). Respondent has now amended her reports in the same manner as she did in 2014.

09/29/2020	Check 0054	Optima Public Relations 7362 W Parks Hwy #665 Wasilla , Alaska 99623	Invoice 20-127-SH for in-house graphic design for mailer, for radio ads (subvendors:KMBQ 99.7 FM Q 99.7, KAYO 100.9 FM Country Classics, KVNT 1020 AM & 92.5 FM / Valley News Talk, Tom Anderson Show, KENI 650 AM / News Talk, Dan Fagan Show, Mike Porcaro Show)	\$4,095.00
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APOC staff agrees that campaign disclosure is complicated and involves detailed requirements; Respondent’s suggestions for agency improvement are well taken, as APOC strives, always, to serve the public in better and more comprehensive ways. APOC staff nevertheless disagrees with the assertion that lack of agency guidance can be blamed under these circumstances.

- c. Alaska campaign disclosure law does not require identification of individual dollar amounts incurred by subcontractors for campaign goods and services under 2 AAC 50.321(a)(5) and (d)

Respondent disclosed the total expenditure amount for each vendor in her reports. Complainant, however, argues that candidates must also provide—for “any consultant,

²⁹ Exhibit 2, APOC October 3, 2012 audit letter to Shelley Hughes.

³⁰ *Id.*

campaign manager, or PR firm” retained by the campaign—“a breakdown of payments made to all subcontractors, sub-vendors, or affiliated service providers.”³¹ Complainant also requested that Respondent provide, among other items, “invoices” for every vendor and subcontractor associated with the expenditures identified in the complaint.

Applying Complainant’s argument to general expenditures under 2 AAC 50.321(a)(5)—for which the law requires only a description of an expenditure’s “purpose”—APOC staff is unable to find precedent, guidance, or historical agency interpretation suggesting .321(a)(5) requires a breakdown of costs by vendor. This would require, for example, that a candidate purchasing campaign t-shirts from a local business ascertain (1) the amount the business paid to its bulk garment sub-vendor for the individual t-shirts (unless the vendor manufactured them in-house), (2) how much the business paid the shipping service to get the t-shirts to its location in Alaska, (3) its purchase and shipping costs for the film or vinyls used to apply the t-shirt design and lettering, and (4) any additional costs or services the t-shirt vendor incurred in their production.

However, the regulation otherwise requires only basic information (date, identifying transaction number, name and address of payee, and amount). Without evidence supporting a contrary approach, APOC staff rejects the assertion that 2 AAC 50.321(a)(5) requires candidates to report extensive details about the costs a campaign vendor incurs in order to produce a final product or service.

Applying Complainant’s argument to expenditures to advertising agencies and those providing campaign management or consultation services, APOC staff again concludes that a breakdown of costs by vendor is not required. 2 AAC 50.321(d) mandates:

If an expenditure required to be reported under (a) or (b) or this section is made to an advertising agency or to an individual or business that provides campaign consultation or management services, the report must disclose in detail all services rendered, including the name of each business from which campaign goods or services were purchased or subcontracted or media advertising placed, and the amount of the expenditure.

³¹ [Complaint 25-19-CD](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=27271>.

Although Complainant argues that .321(d) requires reporting a breakdown of individual costs incurred by the vendor for subcontracted services, APOC staff similarly have not found precedent, guidance, or historical interpretation that supports that argument. In searching for support, staff reviewed previous agency approaches to the regulation.

In a **2016 audit letter** produced by a respondent in a nearly identical complaint, APOC staff instructed a candidate that “(a)lthough it is not necessary to detail each single item that was purchased, the purpose should provide the public with an understanding of what the expense was for and how it relates to your campaign.”³² Notably, APOC staff did not suggest the candidate should have reported individual amounts corresponding to items purchased; rather, only a description of what the expense was for.

In a **July 2020 email** sent to candidates and their treasurers (described above) APOC interpreted .321(d) to require disclosure of an advertising agency’s sub-vendor media placement and a consultant’s subcontractors, but did not require reporting of individual dollar amounts paid by the agency or consultant.³³

The **2024 APOC Candidate Training Manual** (also described above) outlines the details a candidate must provide when a campaign uses an advertising agency or consultation or management services. The training materials, consistent with the guidance offered in the 2016 audit letter and 2020 email to candidates, do not require a candidate to report each of their vendors’ subcontracted costs under .321(d).³⁴

Finally, in a **2024 APOC complaint**, a candidate reported a series of expenditures to a business providing campaign consultation and management services but described the expenses in only limited and general terms, including “campaign management fee,” “consultant’s fees,” and “paid communications.”³⁵ The consent agreement, approved by

³² Exhibit 3, 2016 APOC audit letter.

³³ Ex. 1.

³⁴ Candidate Training Presentation at p. 13, <https://apoc.doa.alaska.gov/media/edrdibcp/cdt-2024-candidate-training-manual.pdf>.

³⁵ [Proposed Consent Agreement](#), *McDonald v. Josephson*, 24-01-CD (August 12, 2024), p. 3 n. 12, <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26106>.

the Commission as “in the public interests and consistent with controlling law for the reasons identified in the agreement,”³⁶ stated:

Because expenditures to a business that provides campaign management or consulting services must include a detailed description of “all services rendered, including the name of each business from which campaign goods or services were purchased or subcontracted or media advertising placed,”³⁷ the purposes provided by respondent provided insufficient details about the services rendered and the placement or dissemination of his paid communications.³⁸

Terms of the consent agreement required the candidate to amend his reports “to include campaign management and media contracting details” but did not require the candidate to account for individual sub-vendor costs.³⁹

In light of past interpretations, decisions, and agency guidance, and given the lack of contrary guidance or evidence, APOC staff concludes that 2 AAC 50.321(d) does not require candidates to break down the individual costs that an advertising agency or campaign management or consulting vendor pays to its subcontractors.

MAXIMUM POTENTIAL CIVIL PENALTIES

The maximum civil penalty for failing to timely file complete and accurate 30-day reports is \$50 per day for each day the violation continues.⁴⁰ The maximum civil penalty for failing to timely file complete and accurate 7-day reports is \$500 per day for each day the violation continues through the date of the election and \$50 per day thereafter.⁴¹ Tolling the running of the penalties as of the day the complaint was filed (September 29, 2025) results in a maximum civil penalty of **\$184,000**.

³⁶ [Order Approving Consent Agreement](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26261), *McDonald V. Josephson*, 24-01-CD (September 9, 2024), p. 1, <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26261>.

³⁷ 2 AAC 50.321(d).

³⁸ [Proposed Consent Agreement](https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26106), *McDonald v. Josephson*, 24-01-CD (August 12, 2024), p. 3, <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=26106>.

³⁹ *Id.* at p. 7.

⁴⁰ AS 15.13.390(a)(1).

⁴¹ AS 15.13.390(a)(1); 2 AAC 50.855(b)(5).

Notably, the Commission’s ultimate determination about whether the law requires itemized subcontractor dollar amounts does not impact the penalty assessment in this matter because the campaign consulting/management/media expenditure descriptions at issue did not provide adequate details about all services rendered. Therefore, penalties are already assessed for Respondent’s incomplete 30-day and 7-day general reports. If the Commission holds that .321(d) does, in fact, require reporting of sub-vendor or subcontractor amounts, this will not result in additional penalties for the same reports.

MITIGATION CRITERIA

When APOC staff assesses a penalty, the starting point for calculating the penalty is 2 AAC 50.855. Here, the regulation enables staff to reduce the maximum statutory assessment for Respondent’s incomplete 30-day report by 50% because it is Respondent’s first alleged violation.⁴²

Once the statutory assessment is calculated under 2 AAC 50.855, APOC staff may consider mitigation criteria to reduce the penalty. Here, Respondent has had no late filings in the preceding five years and therefore has a “good filing history” which warrants a 50% reduction pursuant to 2 AAC 50.865(a)(1)(A).

The penalty may also be reduced by a percentage greater than 50%, or waived entirely, if the penalty is significantly out of proportion to the degree of harm suffered by the public for not having the information.⁴³ Under 2 AAC 50.865(b)(5), a civil penalty is considered significantly out of proportion if it exceeds the value of the transactions that were reported late or, in the case of a 7-day report, exceeds twice the value of the transactions that were reported late. Here, the civil penalty for Respondent’s incomplete 30-day general report, after mitigation, is \$22,500, which far exceeds the \$11,745 in transactions Respondent failed to sufficiently detail the management and media services. APOC staff therefore recommends a 99% reduction to **\$225**. In the case of Respondent’s 7-day report, the civil penalty after mitigation is \$27,075, which also well exceeds twice

⁴² 2 AAC 50.855(b)(3)(B).

⁴³ 2 AAC 50.865(b)(5).

the value of the \$1,300 in transactions that failed to sufficiently detail the management and media services. APOC staff therefore recommends a 99% reduction to **\$465**.

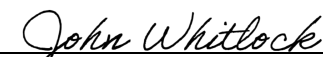
Given the above considerations, including that Respondent had been previously advised to provide greater detail in her expenditures to comply with 2 AAC 50.321(d) for purchases of services from advertising businesses, including Optima, but also recognizing her immediate action to bring her reports into compliance in absence of a Commission order, the total penalty of **\$690** is appropriate and commensurate with penalties assessed in similar matters heard by the Commission.

Report	Dates of Violation	Penalty Days	Daily Max	Maximum penalty of:	After 50% 2 AAC 50.855 (b)(3)(B) assessment	After 50% 2 AAC 50.865(a) mitigation	After 99% 2 AAC 50.865(b)(5) mitigation
30-day general	10/5/20-9/29/25	1820	\$50	\$91,000	\$ 45,500	\$22,500	\$225
7-day general	10/27/20 - 11/3/20 11/4/20 – 9/29/25	7	\$500	\$3,500	\$3,500 (unchanged)	\$1,750	\$17.50
		1790	\$50	\$89,500	\$89,500 (unchanged)	\$44,750	\$447.50
Total				\$184,000	\$138,500	\$69,000	\$690

CERTIFICATE OF SERVICE:

I hereby certify that on this date, I caused a true and correct copy of the foregoing to be delivered to:

Shelley Hughes PO Box 1496 Palmer, AK 99645 hughes@alaskansforhughes.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Email
Mike Alexander PO Box 521171 Big Lake, AK 99652 BigLakeMike907@outlook.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Email



Signature

12/24/25

Date

----- Forwarded message -----

From: **Lucas, Tom R (DOA)** <tom.lucas@alaska.gov>

Date: Wed, Jul 22, 2020 at 4:55 PM

Subject: Reporting services from advertising agencies, campaign management consultants and campaign management services

To: Lucas, Tom R (DOA) <tom.lucas@alaska.gov>

Cc: Hebdon, Heather R (DOA) <heather.hebdon@alaska.gov>, Odena, Jacqueline S (DOA) <jacqueline.odena@alaska.gov>, Collins, Dacia C (DOA) <dacia.collins@alaska.gov>, Stormont, Charles R (DOA) <charles.stormont@alaska.gov>

Dear Candidates and their Treasurers,

We are receiving many inquiries concerning insufficient detail in campaign disclosure reports when reporting expenditures for advertising agencies, management consultants and other campaign management services. Simply stating “campaign advertising” or “management consultant”, for example is not consistent with the following regulation found at [2 AAC 50.321\(d\)](#):

d) If an expenditure required to be reported under (a) or (b) or this section is made to an advertising agency or to an individual or business that provides campaign consultation or management services, the report must disclose in detail all services rendered, including the name of each business from which campaign goods or services were purchased or subcontracted or media advertising placed, and the amount of the expenditure.

Basically, what this means is that the services provided must be disclosed along with any subcontractors used by the consultant, agency or service. An example might be, “Tom’s consulting service for creation and placing of social media on Facebook and Twitter” or Tom’s consulting service for production and placement of radio and tv advertising on stations x, y and z”.

If your campaign has not been doing this, your 30 day report should be amended to come into compliance. If you have any questions or desire any help in doing so, please do not hesitate to contact our office.

Thomas R. Lucas
Campaign Disclosure Coordinator

Alaska Public Offices Commission
2221 E. Northern Lights Blvd., Rm. 128
Anchorage, Alaska 99508
Phone: (907) 276-4176



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Administration

ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128
Anchorage, AK 99508-4149
Main: 907.276.4176
Toll Free in Anchorage: 800.478.4176
Email: doa.apoc.reports@alaska.gov
www.doa.alaska.gov/apoc

October 3, 2014

VIA EMAIL & US MAIL

Representative Shelley Hughes

P.O. Box 1496

Palmer, AK 99645

info@alaskansforhughes.com; sunnyinak@gmail.com

Re: Audit of Primary Campaign Disclosure Reports

Dear Rep. Hughes,

Thank you for timely filing your Primary Campaign Disclosure Reports. The Alaska Public Offices Commission's mission is to encourage the public's confidence in their elected and appointed officials by administering Alaska's disclosure statutes and publishing financial information regarding the activities of election campaigns, public officials, lobbyists, and lobbyist employers. To comply with this statutory mandate, APOC performs periodic audits to ensure compliance with our laws.

Your Year Start, 30 Day, and 7 Day Primary Campaign Disclosure Reports have been audited for compliance with AS 15.13, Alaska's Campaign Disclosure law. Based on the information you provided, staff finds that your filings **require action**. Please take action to address the matters identified below by **October 20, 2014**.

Your Year Start Report discloses two contributions that appear to be over an individual's contribution limit for the 2013 calendar year. Please review the contributions listed below¹ with your records to ensure accuracy and take corrective action by either correcting your report or issuing a return in this current reporting cycle.

The 30 Day Primary Report discloses two contributions totaling \$70 from Kimberly (Kim) Ford. Upon receiving over \$50 the contributor is required to disclose their occupation and employer information. Please disclose this information to be in compliance with AS 15.13.040(a)(1)(D).

Your 7 Day Report disclosed numerous expenditures² with a purpose of "Advertising" without detailing the services rendered as required by 2 AAC 50.321(d). Such expenses must detail all services rendered, including the name of each business from which goods or services were purchased or subcontracted or media advertising placed, and the amount for each expenditure(s). Please add more description for these expenses to comply with this regulation. You may clarify

¹ Curtis G. Green (12/11/13, \$500, Check #1113); Curtis G. Green (12/18/13, \$500, Check #1123);

² Make a Scene (7/19/14); Optima Relations(7/29/14); Older Person's Action Group (7/30/14)

Rep. Hughes
Primary Reports Audit

that this is a retainer fee or salary to satisfy this regulation if services were not rendered, subcontracted, and/or media advertisements were not placed.

Please note that an amendment to one of your campaign disclosure reports could result in the need to update the financial summary tables on all subsequently filed reports, including the 30 Day General Report.

If you have any questions regarding these audits or the corrections requested, please do not hesitate to contact our office.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



Delight K. Mells
Paralegal II

cc: Candidate File



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Administration

ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128
Anchorage, AK 99508-4149
Main: 907.276.4176
Fax: 907.276.7018
www.doa.alaska.gov/apoc

April 15, 2016

Via U.S. Mail and Email



Re: Year Start Campaign Disclosure Report Audit

Dear [REDACTED]

Thank you for timely filing your Year Start Campaign Disclosure Report for the 2016 State Primary Election. The Alaska Public Offices Commission's mission is to encourage the public's confidence in their elected and appointed officials by administering Alaska's disclosure statutes and publishing financial information regarding the activities of election campaigns, public officials, lobbyists, and lobbyist employers. To comply with this statutory mandate, APOC performs periodic audits to ensure compliance with our laws.

Your Year Start Report has been audited for compliance with AS 15.13, Alaska's Campaign Disclosure law. Based on the information you provided, staff noted a few issues that you may wish to address.

First, your report discloses a contribution from what appears to be a husband and wife.¹ Due to statutory limits and prohibitions that apply to contributions, the contribution must be attributed to an individual.² If they have both signed the check, or otherwise authorized the contribution in writing, then it is appropriate to assign and disclose an amount from each individual.³

Additionally, you have reported several expenditures which lack sufficient detail.⁴ Although it is not necessary to detail each single item that was purchased, the purpose should provide the public with an understanding of what the expense was for and how it relates to your campaign.

We appreciate your assistance in providing this information to the public. If you have any questions, please do not hesitate to contact us.

ALASKA PUBLIC OFFICES COMMISSION

Heather R. Hebdon
Campaign Disclosure Coordinator

cc: Candidate File

¹ See [REDACTED]

² AS 15.13.070(b).

³ 2 AAC 50.258(a)(6).

⁴ See [REDACTED] expenditures noting "campaign services" as the purpose.