

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

Jay McDonald,)
)
 Complainant,)
)
 v.)
)
 Elizabeth Snyder,)
)
 Respondent.)
 _____)

Case No. 23-05-CD



FINAL ORDER

On February 28, 2024, the Alaska Public Offices Commission considered Jay McDonald’s complaint against 2018 State House candidate Liz Snyder. Mr. McDonald alleges that Ms. Snyder violated campaign laws by (1) giving a prohibited thank you gift of campaign funds to her spouse who volunteered for the campaign, (2) failing to report the work that her spouse did as a debt to the campaign, and (3) not timely disbursing campaign funds after the campaign. The Commission concludes that Ms. Snyder violated AS 15.13.112(b) by giving her spouse a “personal benefit” in the form of \$2,000 thank you gift and AS 15.13.116 by failing to timely disburse or forfeit leftover campaign funds. The Commission dismisses the allegation that Ms. Snyder failed to report campaign expenditures when incurred for her spouse’s work; the campaign did not promise or agree to pay him in advance and reported the post-campaign gift. For the two violations, the Commission orders Ms. Snyder to pay civil penalties of \$3,673.16—the amount of the prohibited gift and the contributions that were not timely disbursed.

BACKGROUND

Liz Snyder registered as a candidate to run for State House on April 4, 2018, identifying her husband, Samuel Snyder, as her campaign treasurer.¹ As treasurer, Mr. Snyder filed disclosure reports with the Commission leading up to the primary and general elections and afterward. Mr. Snyder's work "was strictly as a volunteer and there was never any expectation or agreement that [he] would be paid for assisting with APOC work."² Mr. Snyder explained that aside from his willingness to volunteer for his wife's campaign, he was not a particularly desirable selection as campaign treasurer. He had less than a year of decidedly part-time experience filing disclosure reports for a group and had never done reporting for a candidate.³ Shortly after the primary election, Mr. Snyder set up a sole proprietorship to provide campaign reporting for another group, but he continued to work as a volunteer on his wife's campaign.⁴

A month after the November election, the campaign gave Mr. Snyder \$2,000 to thank him for his campaign work.⁵ The amount of the gift reasonably covered the hours that Mr. Snyder worked on the campaign.⁶ Although Mr. Snyder's exact number of hours

¹ Candidate Registration Form for Liz Snyder (April 4, 2018), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4224&ViewType=CR>.

² Mr. Snyder's affidavit at p. 3 (Dec. 20, 2023).

³ *Id.* at pp. 1-3.

⁴ *Id.* at p. 3.

⁵ Mr. Snyder's affidavit at p. 4; Year-End Report for Liz Snyder (Feb. 15, 2019), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=27215&ViewType=CD>.

⁶ Ms. Snyder's Answer at pp. 11-12 (Dec. 8, 2023).

and the rate that he would have received as a paid treasurer is unclear, he estimated that he worked about five to seven hours per week over the seven months that his wife was running for office.⁷ The \$2,000 gift would have covered this amount of work—it is equal to 200 hours at a rate of \$10, slightly more than the minimum wage at the time.⁸

The campaign ended with the November 2018 election. Mr. Snyder filed a timely year-end report on February 15, 2019.⁹ The report documented contributions and expenditures, as required, “ending on February 1 of that year.”¹⁰ The report included the \$2,000 payment to Mr. Snyder with the purpose described as “Thank you gift for APOC support.”¹¹ The report also documented a surplus balance of \$1,673.16.¹² Among other options, Ms. Snyder could have transferred these funds to a future campaign account so long as she did so by February 1, 2019.¹³ At that time, “she was not contemplating a future campaign” and left the funds in the account.¹⁴

⁷ Mr. Snyder’s affidavit at p. 3.

⁸ Ms. Snyder’s Answer at pp. 11-12; *see* Alaska Dep’t of Lab. & Workforce Dev. Minimum Wage Standard and Overtime Hours, <https://www.labor.alaska.gov/lss/whact.htm>.

⁹ Year-End Report, *supra* note 5.

¹⁰ AS 15.13.110(a); *see* AS 15.13.040(a) (listing report requirements).

¹¹ Year-End Report, *supra* note 5.

¹² *Id.*

¹³ AS 15.13.116(a) (allowing candidates to donate surplus funds to political parties, the state’s general fund, municipalities, the federal government, and charities; refund contributors; or transfer funds to a legal fund, a future campaign account, or if elected to a public office expense term account, and requiring them to do so by the first day of February after a general election).

¹⁴ Mr. Snyder’s affidavit at p. 4.

More than five months later, Ms. Snyder changed her mind and filed a letter of intent to run for the State House in the 2020 election.¹⁵ About a week later, the Snyders transferred the \$1,673.16 surplus to a future campaign account.¹⁶ That same day, Mr. Snyder amended the campaign's 2018 year-end report to add the transfer to the list of expenditures and update the balance to \$0.¹⁷

Mr. Snyder's work for the 2018 campaign came up as an issue during his wife's 2020 run for office. In late October 2020, Ms. Snyder posted on Facebook a screenshot of a text exchange, which she stated was from that morning.¹⁸ In the text exchange, she challenged "the false claim that I took campaign funds," stating:

As required by law, candidates must report all donations and expenditures. Most campaigns hire an expert to do this reporting, as campaign rules are complicated. My husband does it for a living. In the 2018 campaign, he was paid \$7/hr for his work (or a total of \$2000). If I had not paid the person doing the work, that would have been a campaign violation. This year, I hired someone else because my husband's plate has been too full.¹⁹

Although Ms. Snyder got the total amount correct, her post suggested that Mr. Snyder had been hired and paid to do the treasurer job in 2018, not that he had volunteered and then been compensated with a post-campaign gift. Additionally, she was wrong that

¹⁵ Letter of Intent for Liz Snyder (July 11, 2019), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=1940&ViewType=LOI>; Mr. Snyder's affidavit at p. 5.

¹⁶ Amended Year-End Report for Liz Snyder (July 19, 2019), <https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=27883&ViewType=CD>; Mr. Snyder's affidavit at p. 6.

¹⁷ Amended Year-End Report, *supra* note 16.

¹⁸ Exh. 11 to Staff's Amended Report (Dec. 27, 2023).

¹⁹ *Id.*

campaign laws preclude volunteering; individuals, defined as “natural persons,”²⁰ may volunteer on campaigns and the campaign has no obligation to pay for their services.²¹

About three years after the post, Jay McDonald filed a complaint with the Commission. He alleged that Mr. Snyder’s compensation for his 2018 work on his wife’s campaign should have been reported as debt when it was incurred, not as a post-campaign gift, and that the gift was a prohibited use of campaign funds.²² He also alleged that Ms. Snyder made the transfer of surplus funds too late.²³ The allegation that Mr. Snyder’s compensation should have been reported earlier as campaign debt is largely outside the five-year statute of limitations.²⁴ The Commission considers it only as it may apply to the campaign’s seven-day general election report and the year-end report, the reports that were filed within the statute of limitations.

Ms. Snyder answered the complaint. She admitted that she did not disburse her 2018 campaign funds on time but explained that the issue had been corrected by the July 2019 amendment to her 2018 year-end report.²⁵ She asked the Commission not to

²⁰ AS 15.13.400(12) (defining “individual” as a “natural person,” not a business or other entity).

²¹ See 2 AAC 50.250(d) (providing that a volunteer’s services are not contributions that must be reported if the individual “volunteers the individual’s own time without compensation”).

²² Complaint at pp. 2-3 (Oct. 13, 2023); McDonald’s Hrg. Argument at pp. 1-2.

²³ Complaint at p. 3.

²⁴ AS 15.13.380(b).

²⁵ Answer at 2, 18.

impose a civil penalty for the violation and pointed out mitigating factors.²⁶ She also argued that, to the extent that the debt allegation was within the statute of limitations, her spouse volunteered for her 2018 campaign and the campaign was not obligated to pay him for his labor and report that as expenditures.²⁷ And she contended that the post-campaign gift was lawful and “a ‘legitimate fee for services rendered.’”²⁸

Staff investigated and prepared an investigation report for the Commission. Staff recommended that the Commission find a violation only for the late disbursement and proposed a civil penalty of \$210 for that violation.²⁹

The Commission heard the matter on February 28, 2024. Mr. McDonald, staff, and Ms. Snyder presented arguments and answered the commissioners’ questions. The Commission took the matter under advisement and now issues this order.

ANALYSIS

I. The Commission finds that Ms. Snyder gave a prohibited gift of campaign contributions to her spouse.

The Commission first considers whether the \$2,000 Ms. Snyder gave to her spouse, which she reported as “Thank you gift for APOC support,” was a prohibited use of campaign funds.³⁰ Mr. Snyder was his wife’s volunteer campaign treasurer and filed many of her campaign disclosure reports with the Commission. Alaska law generally

²⁶ *Id.* at 18-19; Ms. Snyder’s Hrg. Argument.

²⁷ Answer at 15- 17.

²⁸ *Id.* at pp. 2-3, 10-12.

²⁹ Amended Staff Report (Dec. 27, 2023) at pp. 4-7.

³⁰ Year-End Report, *supra* note 5.

allows thank you gifts to campaign volunteers like Mr. Snyder after a campaign ends,³¹ but the Commission reads this provision in light of the limits on the use of campaign funds.³² The Commission finds that Ms. Snyder’s gift was a prohibited use of campaign funds for another person’s personal benefit because of the size and circumstances of the gift.³³ No other volunteer received a monetary gift, the gift was large enough to have been payment for Mr. Snyder’s services, and the recipient was the candidate’s spouse.

Although thank you gifts to volunteers are permitted, they are not unlimited. At the end of a campaign, Alaska Statute 15.13.116(a)(1) allows a candidate to “pay bills incurred for expenditures reasonably related to the campaign and the winding up of the affairs of the campaign, including a victory or thank you party, thank you advertisements, and thank you gifts to campaign employees and volunteers.” The usual understanding of a thank you gift is that it is a token of gratitude, not full repayment for a good deed. This dovetails with the limits on campaign expenditures. Payments may not personally benefit a recipient and ordinarily must be ones reasonably incurred by the campaign.³⁴ For example, although a candidate may hire a spouse’s or friend’s business to design

³¹ AS 15.13.116(a)(1).

³² AS 15.13.112(b); see *Roberge v. ASRC Constr. Holding Co.*, 503 P.3d 102, 104 (Alaska 2022) (stating that one “must, whenever possible, interpret each part or section of a statute with every other part or section, so as to create a harmonious whole”).

³³ AS 15.13.112(b)(1).

³⁴ AS 15.13.112(a) (expenses paid out of campaign funds must be incurred by the candidate and “reasonably relate to the election campaign activities”); AS 15.13.112 (b)(1) (contributions cannot be “used to give a personal benefit to the candidate or to another person”); AS 15.13.116(a)(1) (bills that may be paid are for “expenditures reasonably related to the campaign and the winding up of the affairs of the campaign”).

advertisements for the campaign, the candidate must pay “fair market value” to avoid a prohibited personal benefit to the spouse’s or friend’s business.³⁵ Similarly, although a husband may volunteer for a campaign, the candidate may not give him an overly generous thank you gift.³⁶ Neither are reasonably incurred campaign costs, and both are prohibited personal benefits.³⁷ Paying no more than fair market value gets the advertising done. A smaller, thoughtfully selected gift still expresses appreciation.

Considering the size of the gift and the circumstances, the Commission decides that Ms. Snyder’s gift was not a token of gratitude and personally benefited her husband. First, the Commission finds that Ms. Snyder’s admission that the amount of the gift equaled reasonable compensation for her husband’s services means that the gift was more than the expression of appreciation permitted by statute.³⁸ Staff also explained that “typically” thank you gifts would not be equivalent to a reasonable hourly rate for the number of hours of volunteer services provided. Second, the Commission finds that the gift was an anomaly in Ms. Snyder’s campaign, further supporting that it was an unlawful personal benefit. The campaign bought food for volunteers at various times but gave no individualized, monetary thank you gifts to any volunteer except Mr. Snyder. Third, the Commission finds troubling that the sole monetary gift to a volunteer went to the candidate’s spouse, a person that a candidate would have a particular interest in

³⁵ AS 15.13.112(b)(4).

³⁶ AS 15.13.112(b)(1).

³⁷ AS 15.13.112(a)-(b).

³⁸ Answer at pp. 10-12; *see* AS 15.13.116(a)(1) (permitting “thank you gifts”).

benefiting due to their shared household. These circumstances cross the line from giving a thank you gift to a volunteer, which is permitted, to providing a personal benefit to a volunteer, which is not.³⁹ The \$2,000 gift to Mr. Snyder violated AS 15.13.112(b)(1).⁴⁰

II. The Commission dismisses the allegation that the campaign failed to timely report as debt the amount later paid as a gift for Mr. Snyder’s work.⁴¹

In relevant part, a campaign expenditure means “a promise or agreement to purchase or transfer money or anything of value.”⁴² Such expenditures must be reported on campaign reports based on when they were incurred—as debt, if necessary—not when they were invoiced or paid.⁴³ But here, the Commission finds that Ms. Snyder’s campaign did not promise Mr. Snyder compensation for his work or enter into an agreement with him. He was a volunteer, not a hired treasurer. For this reason, the Commission dismisses the allegation that the expenditure related to his work was erroneously reported as a thank you gift, rather than as campaign debt incurred earlier.

³⁹ AS 15.13.112(b)(1); AS 15.13.116(a)(1).

⁴⁰ Because the Commission determines that the gift was a prohibited personal benefit to another, the Commission does not reach the question of whether the gift impermissibly converted campaign contributions to the personal income of a candidate under AS 15.13.112(b)(2).

⁴¹ The Commission addresses the merits of this issue to the extent that it alleges reporting violations on Ms. Snyder’s seven-day report for the general election and year-end report. Any allegations as to errors on her campaign reports filed before October 13, 2018, are outside the five-year statute of limitations. AS 15.13.380(b).

⁴² AS 15.13.400(7).

⁴³ AS 15.13.040(a) (requiring candidates to report all campaign expenditures); AS 15.13.400(7) (defining “expenditure”); 2 AAC 50.321(a)(6) (laying out the details that need to be reported for campaign debts); *DeLaiarro v. Pruitt*, Case No. 20-08-CD at 2 (June 21, 2021), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID=22725>.

The Commission finds that there was no promise or agreement to pay for Mr. Snyder's services on his wife's 2018 campaign. Mr. Snyder's sworn affidavit states that his work as treasurer "was strictly as a volunteer and there was never any expectation or agreement that [he] would be paid for assisting with APOC work."⁴⁴ Other evidence supports this assertion. The candidate Mr. Snyder volunteered for was his wife—whom he would understandably want to wholeheartedly support in running for office. His experience in filing campaign reports of any type was extremely limited, and he was not operating his sole proprietorship, which did campaign reporting for a single group, when he began volunteering for his wife's campaign.⁴⁵ In addition, the campaign's year-end report, filed when the Snyders had no reason to lie as the campaign faced no pending complaint, indicated that the \$2,000 payment was to Mr. Snyder, not his business, and that it was a "Thank you gift for APOC support."⁴⁶ Mr. Snyder was a volunteer.

The Commission does not credit the one piece of contrary evidence, the Facebook post, as an accurate statement that Mr. Snyder was instead hired to work for pay on the 2018 campaign. The posted exchange is an unreliable remark made in the heat of the moment more than a year after the reporting for the 2018 campaign was done. In the exchange, Ms. Snyder strongly implied that her husband was hired to do the work and stated, "In the 2018 campaign, he was paid \$7/hr for his work (or a total of \$2000)."⁴⁷

⁴⁴ Affidavit at p. 3.

⁴⁵ *Id.* at pp. 1-4.

⁴⁶ Year-End Report, *supra* note 5.

⁴⁷ Exh. 11 to Staff's Amended Report.

This is inaccurate because Mr. Snyder’s compensation was through a post-campaign gift, not an agreement in advance that the campaign would hire and pay him. Even still though, Ms. Snyder got most of the basic facts right: Her husband was paid \$2,000 based on a reasonable hourly rate (likely closer to \$10, not \$7) for his 2018 treasurer work.

In short, the Commission concludes that the thank you gift does not convert Mr. Snyder’s volunteer services during the 2018 campaign into unreported debt. There was no promise or agreement to pay Mr. Snyder or give him anything of value for this work; hence, the campaign did not have and fail to report a campaign debt.⁴⁸

III. The Commission concludes that Ms. Snyder failed to timely disburse leftover campaign funds.

Alaska Statute 15.13.116(a) imposes a time limit on post-campaign disbursements of funds. Disbursements of any permissible type, including to pay debt, donate to statutorily permitted recipients, and transfer to a future campaign account, must occur no later than “February 1 for a general election.”⁴⁹ A candidate forfeits a surplus after that date to the state and must deliver the balance to the Department of Revenue within 30 days.⁵⁰ Ms. Snyder violated AS 15.13.116 by not forfeiting her surplus to the state but instead transferring it to a future campaign account months after the deadline.⁵¹

⁴⁸ AS 15.13.040(a)(1); AS 15.13.400(7); 2 AAC 50.321(a)(6).

⁴⁹ AS 15.13.116(a).

⁵⁰ AS 15.13.116(c); *see In re: Bennie Colbert*, Civil Penalty Appeal at 3 (Oct. 9, 2023), <https://aws.state.ak.us/ApocReports/Paper/Download.aspx?ID= 25341> (stating that the statute “puts a definite end date” on retaining unused campaign contributions).

⁵¹ AS 15.13.116(a), (c).

Ms. Snyder was required to report her disbursements wrapping up her 2018 campaign on a year-end report, which was due on February 15, 2019, for the period ending on February 1, 2019,⁵² the last day that she could lawfully disburse campaign contributions remaining in the account.⁵³ Mr. Snyder timely filed this year-end report, showing a balance of \$1,673.16.⁵⁴ At that time, Ms. Snyder did not transfer the leftover funds to a future campaign account because “she was not contemplating a future campaign.”⁵⁵ More than five months later, she registered as a candidate and the amended report showed that a \$1,673.16 transfer to a future campaign account occurred on July 19, 2019.⁵⁶ The Commission finds that this transfer violated AS 15.13.116(c) because Ms. Snyder should have delivered the funds to the state no later than March 4, 2019.⁵⁷

IV. The Commission imposes civil penalties of \$3,673.16 for the violations.

The Commission orders Ms. Snyder to pay a civil penalty of \$2,000 for the illegal gift and \$1,673.16 for the prohibited transfer. To arrive at these amounts, the Commission first determines the maximum statutory penalty and then considers mitigating factors, including ones suggested by staff.

The maximum penalty for the prohibited gift is \$88,700. This amount is \$50 per

⁵² AS 15.13.110(a).

⁵³ AS 15.13.116(a).

⁵⁴ Year-End Report, *supra* note 5.

⁵⁵ Mr. Snyder’s affidavit at p. 4.

⁵⁶ Amended Year-End Report, *supra* note 16.

⁵⁷ Thirty days after February 1, 2019, falls on a Sunday, making the due date Monday, March 4. 2 AAC 50.811(d).

day for each day the violation continued, 1,774 days from the date the gift was given, December 4, 2018, to the date that the complaint was filed, October 13, 2023.⁵⁸

The maximum penalty for the prohibited transfer is \$84,200. This amount is \$50 per day for each day the violation continued, 1,684 days from March 4, 2019—the date she should have provided the funds to the Department of Revenue—to the complaint-filing date of October 13, 2023.⁵⁹ Although staff based this penalty on the number of days between the filing of the year-end report and the amendment, the violation did not start and end with the filing of the reports. Ms. Snyder’s error was a missed forfeiture deadline and prohibited transfer, not an inaccurate report.

The Commission concludes that a variety of factors warrants significant reductions in the maximum penalties. First, staff looked to 2 AAC 50.855, under which the maximum penalties must be halved because the violations arose out of Ms. Snyder’s first election cycle.⁶⁰ Next, staff analyzed factors in 2 AAC 50.865. Supporting an additional reduction were Ms. Snyder’s inexperienced filer status,⁶¹ good filing history,⁶² uncertainty over whether staff reminded her about the disbursement deadline or offered incorrect advice on the propriety of the gift,⁶³ and the fact that the halved penalties still

⁵⁸ See AS 15.13.390(a)(4).

⁵⁹ *Id.*

⁶⁰ 2 AAC 50.855(b)(2)(C)(i).

⁶¹ 2 AAC 50.865(a)(1)(B).

⁶² 2 AAC 50.865(a)(1)(A).

⁶³ 2 AAC 50.865(b)(2). See Staff’s Amended Report at p. 7; Mr. Snyder’s Affidavit at p. 4.

greatly exceeded the amounts that Ms. Snyder gave as a prohibited gift and failed to correctly disburse.⁶⁴ The Commission agrees that these reasons support a reduction as does the “unique circumstance” that the penalties continued to accrue for years when no complaint was filed and Ms. Snyder apparently believed she had made a permissible gift and transfer based on an incorrect understanding of the statutory requirements.⁶⁵

For these reasons, the Commission reduces the civil penalties to the amount of the prohibited gift, \$2,000, and to the amount that Ms. Snyder should have forfeited to the state, \$1,673.16. The total civil penalties owed are \$3,673.16.

ORDER

The Commission finds that Ms. Snyder violated AS 15.13.112(b)(1) by giving a personal benefit in the form of a \$2,000 gift to her spouse in December 2018. The Commission orders Ms. Snyder to pay a civil penalty of \$2,000 for this violation.

The Commission finds that Ms. Snyder violated AS 15.13.116(a) and (c) by failing to timely and correctly disburse the funds left in her 2018 campaign account. The Commission orders Ms. Snyder to pay a civil penalty of \$1,673.16, the amount of leftover funds that she failed to forfeit to the state.

The Commission dismisses the allegation that Ms. Snyder violated reporting obligations for her spouse’s work; his volunteer services were not a campaign debt.

This is a final Commission order. It may be appealed to the superior court within

⁶⁴ 2 AAC 50.865(b)(5).

⁶⁵ 2 AAC 50.865(b)(6); *see* Mr. Snyder’s Affidavit at pp. 4-5.

30 days from the date of this order.⁶⁶ A request for the Commission to reconsider this order must be filed within 15 days from the date this order is delivered or mailed.⁶⁷

Dated: March 11, 2024

BY ORDER OF THE ALASKA PUBLIC OFFICES COMMISSION⁶⁸

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:

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Paralegal

3/11/24
Date

⁶⁶ AS 15.13.380(g), AS 44.62.560, Alaska R. App. P. 602.

⁶⁷ 2 AAC 50.891(g); AS 44.62.540.

⁶⁸ Commissioners Richard Stillie, Lanette Blodgett, Eric Feige, and Dan LaSota participated in this matter. The decision was made on a 4-0 vote.