

[TAB 3]

POFD Civil Penalty Appeals

Presented By:

Benjamin Wolfe, Paralegal



**ALASKA PUBLIC OFFICES COMMISSION
STAFF RECOMMENDATION FOR COMMISSION ACTION**

PREPARED BY: Benjamin Wolfe

DATE: January 16, 2025

RESPONDENT: Michael Welch

CIVIL PENALTY

ASSESSED UNDER: **Public Official Financial Disclosure: AS 39.50.135, 2 AAC 50.855**

REASON FOR FILING: Municipal Office Holder

LATE REPORT(S): Public Official Financial Disclosure

2024 Final POFD Statement

DUE DATE: September 16, 2024

FILED ON: November 20, 2024

DAYS LATE: 65 days late

DATE DELINQUENCY NOTICE(S) SENT: November 5, 2024

CPA APPEAL RECEIVED: December 11, 2024

MAXIMUM STATUTORY PENALTY: \$650

PENALTY ASSESSED¹: \$325

RECOMMENDATION: Waive

(See “Staff’s Recommendation Based on Standard Mitigation Criteria”)

AFFIANT’S STATEMENT OF MITIGATING FACTS:

1. Filer states that he left office due to several traumatic brain injuries. Additionally, after leaving office, he contracted COVID-19 twice and suffered chronic side effects.

STAFF’S ANALYSIS OF FACTS FOR COMMISSION REVIEW

1. Mr. Welch served as a municipal officer for the city of North Pole and was required to complete a final POFD statement no later than 90 days after leaving office.

¹ Reduced to 50% of maximum under 2 AAC 50.855(b)(1)(C).

2. Mr. Welch resigned as Mayor on June 17, 2024, before his term expiration date.
3. APOC was not notified of Mr. Welch’s resignation and as such, staff was unable to send a courtesy notice of his final filing requirement nor was staff able to timely issue a delinquency notice when he failed to file his final POFD statement.
4. Based on his good filing history, the fact that Mr. Welch did not receive timely notice of his delinquency, and his ongoing medical issues, staff recommends a waiver of the penalty.

FILER’S REPORTING HISTORY:

2018 Initial POFD - timely
 2019 Annual POFD - timely
 2020 Annual POFD - timely
 2021 Annual POFD - timely
 2022 Annual POFD - timely
 2023 Annual POFD – timely
 2024 Annual POFD (also campaigned for state primary) – timely
 2024 Final POFD - 65 days late, subject of this appeal

STAFF’S RECOMMENDATION BASED ON STANDARD MITIGATION CRITERIA

Staff finds the following mitigation criteria applicable to the respondent’s appeal:

Criteria for up to 50% reduction of the maximum civil penalty [2 AAC 50.865(a)]:

- Good filing history (no late filings in the previous 5 years). **2 AAC 50.865(a)(1)(A)**
- Inexperienced filer.² **2 AAC 50.865(a)(1)(B)**
- Technical error at APOC. **2 AAC 50.865(a)(2)**
- Reported information had a value of \$100 or less. **2 AAC 50.865(a)(3)**
- Reported information had a value between \$100 and \$1000 AND any factor listed in 2 AAC 50.865(b) also applies. **2 AAC 50.865(a)(4)**

Criteria for greater than 50% reduction, up to complete waiver [2 AAC 50.865(b)]:

- Personal catastrophe/emergency or incapacitating illness. **2 AAC 50.865(b)(1)**
- APOC Staff error. **2 AAC 50.865(b)(2)**
- Report included only administrative costs. **2 AAC 50.865(b)(3)**
- No significant harm to the public and no aggravating factors.³ **2 AAC 50.865(b)(4)**

² Any entity or filer subject to a registration or reporting requirement for less than 365 days.

³ The amount missing is \$100 or less; the amount missing is more than \$100 but less than \$1,000 and the filer self-reported; or the missing information is readily available to the public through another forum.

- The civil penalty is significantly greater and out of proportion to the degree of harm to the public for not having the information.⁴ **2 AAC 50.865(b)(5)**
- A unique circumstance. **2 AAC 50.865(b)(6)**

Non-mitigating factors [2 AAC 50.865(c)]:

The Commission will not accept the following mitigating factors to reduce the amount of a penalty.

- Relying on another person or mailroom to mail or submit the statement timely. **2 AAC 50.865(c)(1)**
- Forgetting to file. **2 AAC 50.865(c)(2)**
- Being a volunteer. **2 AAC 50.865(c)(3)**
- Having no change in data from previous statements on file. **2 AAC 50.865(c)(4)**
- Reliance on filer’s own staff to remind him or her of the filing deadline. **2 AAC 50.865(c)(5)**
- Being too busy to file. **2 AAC 50.865(c)(6)**
- Absence caused by travel, unless the travel was unplanned or unavoidable such as travel for personal emergency or weather-related travel problems. **2 AAC 50.865(c)(7)**

Aggravating Factors [2 AAC 50.865(d)]:

- Failure to comply by omitting a significant source of income, interest in real property, loan, trust, business, or other substantial financial interest.⁵ **2 AAC 50.865(d)(1)**
- More than one late filing in the preceding 5 years. **2 AAC 50.865(d)(2)(A)**
- Evidence suggesting deliberate non-reporting. **2 AAC 50.865(d)(2)(B)**
- Failure to cooperate with staff. **2 AAC 50.865(d)(2)(C)**
- A violation under AS 15.13, AS 24.45, AS 244.60.200-260, or AS 39.50 in the preceding 5 years. **2 AAC 50.865(d)(2)(D)**

Based on the applicable standard mitigation criteria, staff recommends that the maximum civil penalty assessment be:

- Waived**
- Reduced by _____ to _____**
- Upheld at the assessed amount of _____**

⁴ Penalty exceeds the value of late or unreported transactions or for 24-hour and 7-day reports, the penalty exceeds twice the value of the late or unreported transactions.

⁵ Value greater than \$1000.

POFD FORM

COMPLETED

Submission Date: 11/20/2024

FILER INFORMATION

First Name: **Michael**
 Last Name: **Welch**
 Address: **934 Les Rogers TA**
 City, State Zip: **North Pole, Alaska 99705**
 Contact Phone: **907-488-5834**
 Alternate Phone: **Nothing to Report**
 Fax (Optional): **Nothing to Report**
 Email: **northpolemayor@gmail.com**
 Partner Type: **Spouse**
 Spouse/Domestic Partner Name: **Aino Welch**
 Dependent Children: **0**
 Non-Dependent Children: **0**

PURPOSE OF FILING

Report Year: **2024**
 Report Dates: From **01/01/2024** Through **09/16/2024**
 Filing As: **Municipal Office Holder**
 Municipality: **North Pole, City of**
 Office: **Mayor**
 Report Type: **Final**

INCOME

Owner	Type	Detail	Description	Amount
Filer	Salaried	City of North Pole, AK Full-time From: 01/01/2024 Through 09/16/2024 Time Worked:	Mayor	\$20,000 - \$50,000
Spouse	Salaried	FNSBSD Full-time From: 01/01/2024 Through 09/16/2024 Time Worked:	Teachers Aide	\$20,000 - \$50,000
Filer	Dividend or Interest	PFD		\$1,000 - \$2,000
Spouse	Dividend or Interest	PFD		\$1,000 - \$2,000

INTERESTS

Owner	Type	Detail	Description / Interest
Filer, Spouse	Real Property	934 Les Rogers Turnaround North Pole, Alaska 99705	Ownership Interest: Fee Simple
Filer	Beneficial	Managed By: Managed By: US OPM	Retirement Annuity Ownership: 100%

LOANS AND DEBTS

Owner	Type	Name
Filer, Spouse	Guarantor	Rocket Mortgage

LEASES

Owner	Type of Lease	Lease/Contract ID	Interest	Status	Description
No Leases / Nothing to Report					

CLOSE ECONOMIC ASSOCIATIONS

Associated Person	Description
No Associations / Nothing to Report	

LOBBYIST PARTNER EMPLOYERS

Name	Address	Compensation
No Lobbyist Partner Employers / Nothing to Report		

Fax To APOC 907 276 7018
Attention Mr. P. Benjamin Wolfe, Paralegal II
Civil Penalty Appeal Affidavit

AS 39.50 Public Official Financial Disclosure Law

Name of Appellant: Michael Warren Welch
Position and City/Borough: Mayor (Retired) City North Pole
Penalty Issued For (check box): State Filer Late POFD
 Municipal Filer Late POFD

Instructions: If you send payment, you need not file this. An affidavit is required only if you are appealing the CPA.

Statement: State why the reporting violation occurred and reasons the CPA should not be assessed (use additional pages if needed). I do hereby swear and affirm that:

I request/appeal for State Penalty and any fines in this matter. Had to leave office due to 4 Traumatic Head Injuries due to Brain Concussions May 25, 2023 - Oct 26, 2023 - Jan 27, 2024 & May 25, 2024. I am currently undergoing care of Dr Ronald A. Martino, MD Neurologist in Fairbanks, Alaska since Feb 2, 2024. He can be contacted @ 907 452-1739. Please see over ->

Certification: I certify that the information in this statement is, to the best of my knowledge, true, correct, and complete. By statute, a person who makes a false sworn certification which s/he does not believe to be true is guilty of perjury.

Sign/Date: Michael W Welch December 7, 2024

Please read my note to Mr. P. Benjamin Wolfe Paralegal II, APOC

I also had 2 Cases of Covid since leaving office. A mild Covid August 8 - Sep 3 2024, and an extreme case Sep 27 - Oct 26 2024 that now has long term side effects to my head injuries.

I received a Certified Mail November 7 from your office, letter date Nov 5, 2024, addressed to Ms Welch ????. My wife was confused about this. He called you, Mr Benjamin B Wolfe on Wednesday on Nov 20. My wife was on the call and she filed on MyLaka that very date and you confirmed that it was in the system. Furthermore you suggested that you should cancel the fine as I was not notified by GBC until Nov 7. My wife will fax this letter from her school later next week, as I've no way from home to do this thanks to GCI. I appreciate your genuine & kind assistance in this matter as I go through a rough patch in my life. You may call me if you need any further information.

Best Wishes

Michael W. Welch 907 488 5834 or 907 978 3354



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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
apoc@alaska.gov
doa.alaska.gov/apoc

November 26, 2024

Via Certified Mail, US Mail, and Email

Michael Welch
934 Les Rogers TA
North Pole, AK 99705
northpolemike@gmail.com

Re: Notice of Penalty

Mr. Welch:

According to our records you did not timely file your Final Public Official Financial Disclosure (POFD) Statement that was due on September 16, 2024. Instead, your statement was filed on November 20, 2024 (65 days late). By law, a maximum penalty of \$10 accrues each day the report is late.¹ The maximum penalty the Alaska Public Offices Commission (APOC) could assess you is \$650.²

However, regulation allows APOC staff to document the violation and reduce the assessed penalty to 50% of the maximum.³ **Accordingly, the assessed penalty owed is \$325.**

Additionally, please be advised:

You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our [website](#)⁴ to make a payment by credit card; or you may pay in cash at our offices. **Payment must be made within thirty days of the date of this letter.** If you are unable to pay the entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.⁵ **If you wish to appeal you must submit the enclosed appeal affidavit to APOC within thirty days of the date of this letter.**

¹ AS 39.50.135.

² 2 AAC 50.855(a).

³ 2 AAC 50.855(b)(1)(C).

⁴ <https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx>

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

⁵ 2 AAC 50.831(a).

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for entry of a final order in the amount of the assessed penalty and referral to the Attorney General's Office.⁶

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

Thank you,

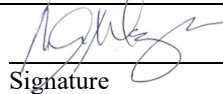
ALASKA PUBLIC OFFICES COMMISSION



P. Benjamin Wolfe
Paralegal II

Encl: Civil Penalty Appeal Affidavit
2 AAC 50.865
cc: POFD File
North Pole City Clerk (Email Only)

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 Welch 934 Les Rogers TA North Pole, AK 99705 northpolemike@gmail.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> US Mail <input checked="" type="checkbox"/> Email

 11/26/2024

Signature Date

⁶ 2 AAC 50.895.

From: [Microsoft Outlook](#)
To: northpolemike@gmail.com
Subject: Relayed: Re: Notice of Penalty
Date: Tuesday, November 26, 2024 10:17:32 AM
Attachments: [Re: Notice of Penalty.msg](#)

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:
northpolemike@gmail.com (northpolemike@gmail.com) <mailto:northpolemike@gmail.com>
Subject: Re: Notice of Penalty



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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
apoc@alaska.gov
doa.alaska.gov/apoc

December 20, 2024

Via Certified Mail, US Mail, and Email

Michael Welch
934 Les Rogers TA
North Pole, AK 99705
northpolemayor@gmail.com; northpolemike@gmail.com

Re: Commission Meeting Notice
Civil Penalty Appeal – Final POFD Statement

Mr. Welch:

The Commission will review the matter of the civil penalty assessed for your late-filed Final POFD Statement at its January 16, 2025, Commission Meeting in Anchorage. Enclosed, you will find the Staff Recommendation that will be presented to the Commission at the meeting.

You have a right to participate at the meeting, either in-person, by telephone (1-907-202-7104, Conference ID: 542 592 595#), or online via [Microsoft Teams](#) (Meeting ID: 218 357 205 23, Passcode: ka6uj94c). Please notify our office if you intend to participate. Civil Penalty Appeals and Referrals are expected to begin at **10:05 am on Thursday, January 16, 2025.**

This matter will initially be presented to the Commission on a Consent Agenda. If you do not wish to present your appeal or make a statement to the Commission, and your appeal is not removed from the agenda by a Commissioner, the staff recommendation will be approved without discussion or deliberation. If you wish to present or make a statement to the Commission, please notify staff or the Commission prior to the approval of the consent agenda. Staff will send you a copy of the Commission’s final decision regarding your appeal.

If you have any questions, please contact our office.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION

P. Benjamin Wolfe
Paralegal II

Encl.: Staff Recommendation
cc: Municipal POFD File

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 Welch 934 Les Rogers TA North Pole, AK 99705 northpolemayor@gmail.com; northpolemike@gmail.com	<input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> US Mail <input checked="" type="checkbox"/> Email

Signature

12/20/2024
Date

From: [Microsoft Outlook](#)
To: northpolemayor@gmail.com; [Mike Welch](#)
Subject: Relayed: Re: Commission Meeting Notice Civil Penalty Appeal – Final POFD Statement
Date: Friday, December 20, 2024 8:44:44 AM
Attachments: [Re Commission Meeting Notice Civil Penalty Appeal Final POFD Statement.msg](#)

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:
northpolemayor@gmail.com (northpolemayor@gmail.com) <<mailto:northpolemayor@gmail.com>>
[Mike Welch](mailto:northpolemike@gmail.com) (northpolemike@gmail.com) <<mailto:northpolemike@gmail.com>>
Subject: Re: Commission Meeting Notice Civil Penalty Appeal – Final POFD Statement