

## State of Washington PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 (360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 ● E-mail: pdc@pdc.wa.gov ● Website: www.pdc.wa.gov

November 16, 2020

Sent electronically to mark@northcreeklaw.com and

Subject: Complaints filed by Alex Bond against the Leadership Council, PDC Case 74277 and WA Forward (The Leadership Council), PDC Case 74270

Dear Mark Lamb:

Enclosed is a copy of an electronic letter sent to Alex Bond concerning two complaints filed July 22, 2020 with the Public Disclosure Commission (PDC) against The Leadership Council and WA Forward (the Leadership Council).

On November 12, 2020, the PDC received completed Statements of Understanding (SOU) from both The Leadership Council and WA Forward (the Leadership Council), acknowledging violations of RCW 42.17A.405 by making over-limit contributions to five candidates for the Washington State Legislature from two affiliated entities. The Leadership Council and WA Forward (the Leadership Council) each paid a \$750 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), which resolves the issue of making over-limit contributions from affiliated entities to five 2020 Legislative candidates.

The PDC will not be conducting a more formal investigation into these allegations or take any further enforcement action in this matter. Thank you for your cooperation in timely resolving these two cases.

Based on this information, the PDC has dismissed these two cases against the Leadership Council (PDC Case 74277) and WA Forward - The Leadership Council (PDC Case 74270), in accordance with RCW 42.17A.755(1). If you have questions, contact Alice Fiman at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,
/s
Alice Fiman
Compliance Officer
Endorsed by,
/s
BG Sandahl, Deputy Director for
Peter Lavallee Executive Director



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Toll Free 1-877-601-2828 ● E-mail: pdc@pdc.wa.gov ● Website: www.pdc.wa.gov November 16, 2020

Sent electronically to alexibond@gmail.com

Subject: Complaints filed against the Leadership Council, PDC Case 74277 and WA Forward (The Leadership Council), PDC Case 74270

## Dear Alex Bond:

The Public Disclosure Commission (PDC) completed its review concerning two complaints you filed July 22, 2020 with the Public Disclosure Commission (PDC) against The Leadership Council and WA Forward (the Leadership Council). The two complaints alleged The Leadership Council and WA Forward (The Leadership Council), two continuing political committees registered with the PDC, violated RCW 42.17A.405 by making over-limit contributions from affiliated entities to five 2020 legislative candidates, which exceeded the \$2,000 contribution limit.

PDC staff reviewed the allegations listed in the complaint; the applicable statutes, rules, and reporting requirements for a political committee, the Summary Full Campaign Contribution and Expenditure (C-4) reports filed by WA Forward (The Leadership Council) and The Leadership Council, the Monetary Contributions (C-3) reports filed by the five candidates, and the response from Mark Lamb, attorney for The Leadership Council, to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found the following:

- On July 5, 2020, WA Forward (The Leadership Council) filed a Committee Registration disclosing it is being sponsored in 2020 by The Leadership Council, selecting the Full Reporting Option and listing Senators John Braun and Mark Schoesler as Officers, and Tom Perry at the Ministerial Treasurer. WA Forward (The Leadership Council) has been registered with the PDC since June 2018 and has always disclosed sponsorship by The Leadership Council.
- RCW 42.17A.405 limits Legislative candidates to receiving \$1,000 in total contributions for the 2020 primary election from any one contributor, including from a political action committee (PAC), and \$1,000 in total contributions for the 2020 general election. In addition, WAC 390-16-309 (3) states "...two or more entities shall be treated as one entity and share a contribution limit under RCW 42.17A.405 and 42.17A.410 if one of the entities is established, financed, maintained or controlled by the other."
- The Leadership Council and WA Forward (the Leadership Council) meet additional factors of WAC 390-16-309 (3), including:

- (b) "one entity has authority or the ability to direct or participate, other than through a vote as a member, in the governance of another entity through provisions of constitution, bylaws, contract or other formal or informal procedure or has authority or the ability to hire, appoint, demote or otherwise control, other than through a vote as a member, the officers or other decision making employees or members of another entity; (c) "(i) one entity has a common or overlapping membership with another which indicates either a formal or ongoing relationship between the two organizations or the creation of a successor entity; and (ii) the entity has an active or significant role in the formation of the other entity; and (iii) the entities have similar patterns of contributions or contributors which indicate a formal or ongoing relationship between the entities."
- WA Forward (The Leadership Council) disclosed receiving \$550,000 in total aggregate contributions from The Leadership Council in 2020 as of the date the over-limit contributions were made and has received \$100 in additional contributions from ten individuals. Based on the PDC statute and rule referenced above, WA Forward (The Leadership Council) and The Leadership Council are affiliated and share one contribution limit for the 2020 election cycle. Therefore, the two PACs are limited to a maximum \$1,000 total contribution for the 2020 general election between them.
- The C-4 reports filed by WA Forward (The Leadership Council) and The Leadership Council disclosed the following contributions were made during the 2020 election cycle:
  - 1. On October 24, 2019, the Leadership Council made a \$2,000 monetary contribution to the Steve O'Ban Campaign for State Senator in the 28th Legislative District, and the O'Ban Campaign designated \$1,000 for the 2020 primary election and \$1,000 for the 2020 general election. On July 8, 2020, WA Forward (The Leadership Council) made a \$1,000 monetary contribution to the Steve O'Ban Campaign, which exceeded contribution limits by \$1,000.
  - 2. On December 12, 2019, the Leadership Council made a \$1,000 monetary contribution to the Lynda Wilson Campaign for State Senator in the 18th Legislative District, and the Wilson Campaign designated \$1,000 for the 2020 primary election. On July 13, 2020, the Leadership Council made an additional \$1,000 monetary contribution to the Lynda Wilson Campaign, and the Wilson Campaign designated \$1,000 for the 2020 general election. On July 13, 2020, WA Forward (The Leadership Council) made a \$1,000 monetary contribution to the Lynda Wilson Campaign, which exceeded contribution limits by \$1,000.
  - 3. On March 11, 2020, the Leadership Council made a \$2,000 monetary contribution to the Connie Beauvais Campaign and the Beauvis Campaign designated \$1,000 for the 2020 primary election and \$1,000 for the 2020 general election. On July 8, 2020, WA Forward (The Leadership Council) made a \$1,000 monetary contribution to the Connie Beauvais Campaign, which exceeded contribution limits by \$1,000.
  - 4. On December 12, 2019, the Leadership Council made a \$2,000 monetary contribution to the Ron Muzzall Campaign for State Senator in the 10th Legislative District, and the Muzzall Campaign designated \$1,000 for the 2020 primary election and \$1,000 for the 2020 general election. On July 8, 2020, WA Forward (The Leadership Council) made a \$1,000 monetary contribution to the Ron Muzzall Campaign, which exceeded contribution limits by \$1,000.
  - 5. On December 12, 2019, the Leadership Council made a \$2,000 monetary contribution to the Chris Gildon Campaign for State Senator in the 25th Legislative District, and the Gildon Campaign designated \$1,000 for the 2020 primary election and \$1,000 for the

2020 general election. On July 8, 2020, WA Forward (The Leadership Council) made a \$1,000 monetary contribution to the Chris Gildon Campaign, which exceeded contribution limits by \$1,000.

- Once notified of the complaints, the five candidate campaigns refunded the \$1,000 contribution to WA Forward (The Leadership Council) and filed amended C-3 reports removing the \$1,000 contribution received from WA Forward (The Leadership Council) and noting the refunded contribution in each campaigns books of account.
- Lamb stated: "None of the Campaigns were aware that WA Forward arguably shares a contribution limit with the Leadership Council. Upon learning that this affiliation might be an issue they promptly returned the contribution to WA Forward."

Staff's review found both The Leadership Council and WA Forward (The Leadership Council) are high profile political committees with ties to the Washington State Senate Republican Campaign Committee and Washington State Senate Republican leadership. The two PAC's have professional staff and consultants with experience and resources to readily comply with state laws, rules, and reporting requirements.

On November 12, 2020, the PDC received a completed Statements of Understanding (SOU) for both The Leadership Council and WA Forward (the Leadership Council), acknowledging violations of RCW 42.17A.405 by making over-limit contributions to five candidates for the Washington State Legislature in 2020 from two affiliated entities. The Leadership Council and WA Forward (the Leadership Council) each paid a \$750 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), which resolves the issues of making over-limit contributions from affiliated entities to five 2020 Legislative candidates.

PDC staff found no evidence of material violations requiring additional enforcement action in this matter, especially since the affiliated contributions made by WA Forward (The Leadership Council) to the five 2020 candidates were mitigated by the fact the candidates timely refunded the over-limit contributions and none of the candidates appeared to have spent any of the over-limit contributions.

Based on this information, the PDC has dismissed these two cases against the Leadership Council (PDC Case 74277) and WA Forward - The Leadership Council (PDC Case 74270), in accordance with RCW 42.17A.755(1). If you have questions, contact Alice Fiman at 1-877-601-2828, or by e-mail pdc@pdc.wa.gov.

Sincerely,
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Alice Fiman
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