

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 24, 2020

Sent Electronically to Eva Metz with Tax Amazon PAC

Subject: Tax Amazon PAC Complaint Return Letter, PDC Case 76194

Ms. Metz:

Below is a copy of a letter sent electronically to Shawn Anderson concerning the complaint filed with the Public Disclosure Commission (PDC) against Tax Amazon PAC. As noted below in the letter sent to Shawn Anderson, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action against Tax Amazon PAC concerning this matter.

PDC staff is reminding Tax Amazon PAC about the importance of campaign finance reporting for political committees, including the timely and accurate disclosure of committee expenditures for payments made to committee staff, and all other reportable committee contribution and expenditure activities, and to comply with the continuing political committee and ballot measure committee reporting requirements in the future.

Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,	Endorsed by:
s/	s/
Kurt Young, Compliance Officer	BG Sandahl, Deputy Director for





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November 24, 2020

Sent electronically to Shawn Anderson

Subject: Complaint filed against Tax Amazon PAC, PDC Case 76194

Shawn Anderson:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on August 31, 2020. Your complaint alleged that the Tax Amazon PAC, a political committee registered with the PDC, may have violated RCW 42.17A.240 by failing to timely and accurately disclose committee expenditures for payments made to committee staff.

PDC staff reviewed the allegations listed in the complaint, the statues, rules and reporting requirements for a continuing political committee; the Summary Full Campaign Contributions and Expenditure reports (C-4 reports); the PDC database for expenditure information for Tax Amazon PAC; and the responses from Eva Metz, Treasurer for Tax Amazon PAC. Based on staff's review, we found the following:

- On March 19, 2020, Tax Amazon PAC (PAC) filed a Committee Registration as a first-time political committee with the PDC indicating it was in support of a City of Seattle local initiative in 2020, selecting the Full Reporting Option and Eva Metz, Matt Smith, and Alycia Lewis as Officers, and Jon Manella as Committee Treasurer. On May 11, 2020, the PAC filed an amended Committee Registration listing Eva Metz as Treasurer, and Matt Smith, and Alycia Lewis as Officers.
- On June 10, 2020, the PAC timely filed the May 2020 C-4 report disclosing \$27,767 in monetary contributions received and \$23,885 in expenditures made during the period that included a \$2,092.55 expenditure made to Calvin Priest on May 11, 2020 for Campaign work, and a \$1,42.39 expenditure made to Eva Metz on May 15, 2020, for Campaign work.
- On July 15, 2020, the PAC inadvertently filed the 21-Day Pre-Primary C-4 report (the ballot measure was not on the 2020 primary or general election ballot) disclosing \$39, 119 in monetary contributions received and \$26,880 in expenditures made during the period that included a \$4,516.61 expenditure made to surepayroll on June 1, 2020 for Payroll Taxes.
- On August 28, 2020, the PAC inadvertently filed the 7-Day Pre-Primary C-4 report disclosing \$745 in monetary contributions received and \$13,935 in expenditures made during the period that included two expenditures to surepayroll for Payroll Taxes (\$7,472.09 made on July 14, 2020, and a \$2,000.16 made on July 21, 2020). The report also disclosed a \$1,702 expenditure to Rosemary Daniels on July 15, 2020 for Campaign services.

- On August 17, 2020, Ms. Metz received an email from Polly Grow, a Seattle Ethics and Elections Commission (SEEC) staff person, informing her that the Tax Amazon ballot measure would not be appearing on the 2020 ballot.
- Ms. Metz stated the amended C-4 reports she filed for Tax Amazon PAC (PAC) were not in response to the allegations or to change any of the expenditures question raised in the complaint, but were instead related to some confusion concerning the proper reporting period for 2020 for the committee. She stated that the correct expenditure details for the PAC expenditures made and attributed to payroll were as follows:
 - 1. <u>June 2020:</u> The \$4,516 expenditure made by the PAC on June 1, 2020, should have been disclosed as: \$1,862.54 paid to Alycia Lewis; \$1,760.00 paid to Greyson Van Arsdale, with \$896.07 in payroll taxes paid through Surepayroll.
 - 2. <u>July 1-13, 2020:</u> The \$7,472.09 expenditure made by the PAC on July 14, 2020, should have been disclosed as: \$1,760 paid to Greyson Van Arsdale; \$1,858.54 paid to Alycia Lewis; \$1,605 paid to Hannah Swoboda; and \$2,248.55 in payroll taxes paid through Surepayroll.
 - 3. <u>July 14-31, 2020:</u> The \$2,000.16 expenditure made by the PAC on July 21, 2020, should have been disclosed as \$1,618.02 paid to Joe Sugrue and \$382.14 for payroll taxes paid through Surepayroll.
- On November 18, 2020, Ms. Metz filed amended 21-Day and 7-Day Pre-Primary C-4 reports correcting the expenditures made by the PAC to accurately disclose the individuals listed above as having been paid by the PAC for "Campaign Services" for June and July of 2020.
- Ms. Metz stated that she was a first-time Treasurer and had no prior experience filing Campaign finance reports with the PDC through the Online Reporting of Campaign Activity (ORCA) Software. She apologized for the filing issue and the late response to the complaint stating she missed the first reminder message from PDC staff, that since the measure was not on the 2020 ballot and the committee activities had slowed down. She stated when she was checking the PAC emails, she mistakenly thought the PDC complaint notification email was an ORCA C-3 or C-4 filing confirmation email from the PDC.
- Ms. Metz acknowledged she "may have accidentally made an error in how I labeled an expense. I don't remember making that amendment, but I know we had some mix-up with the SEEC over which reports we actually had to file given the timeline of our campaign." She stated that after she reviewed the C-4 reports and the complaint, she realized she had some confusion concerning whether or not she had filed amended reports correcting the allegations listed in the complaint and for future C-4 reports. She stated the allegations suggested the PAC may have "duplicate filings for various expenditures…..but the error actually relates to how I labeled the expenditures."
- Ms. Metz stated she wanted to be clear that this was "an honest mistake, not a "purposeful effort to hide payments.... This error occurred when we first switched over to a direct deposit payroll system with surepayroll in June, which also coincided with an expansion of our campaign team." She stated that prior to making the change the PAC's employees were all paid by check, but under the new payroll system with surepayroll, some of the employees were being paid by the PAC directly by check and some PAC employees were paid electronically through direct deposits.

- Ms. Metz stated she was in the habit of checking her bank statements and ORCA check ledger to track expenditures but she did not catch that she had "incorrectly labelled some of the expenditures which showed up as "surepayroll" as simply "payroll taxes.""
- Ms. Metz stated concerning the allegation that the spouse of one of the Seattle City Councilmembers had been paid by the PAC "as a potential motivation for a purposeful effort to hide payments...that individual was not involved at all in the (PAC) reporting issues. We have nothing to hide related to campaign payments. I am immediately amending the reports in question and I am also happy to provide any further information."

Based on these findings, PDC staff found no evidence of a violation that would require conducting a more formal investigation into the complaint or pursuing enforcement action in this instance. Staff has determined that Tax Amazon PAC inadvertently disclosed the payments made to committee staff for services as a lump sum expenditure made to surepayroll when the committee changed to an automated direct deposit payment system for payroll expenses, rather than identifying each individual committee staff member paid by the PAC.

PDC staff is reminding Tax Amazon PAC about the importance of campaign finance reporting for political committees, including the timely and accurate disclosure of committee expenditures for payments made to committee staff, and all other reportable committee contribution and expenditure activities, and to comply with the continuing political committee and ballot measure committee reporting requirements in the future.

The PDC has dismissed this matter in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young by e-mail at pdc@pdc.wa.gov.

Sincerely,	Endorsed by,
<u>/s</u>	<u>/s</u>
Electronically Signed Kurt You	ng Electronically Signed BG Sandahl, Deputy Director fo
Compliance Officer	Peter Lavallee, PDC Executive Director

cc: Eva Metz, Treasurer for Tax Amazon PAC

