

## State of Washington PUBLIC DISCLOSURE COMMISSION

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January 21, 2022

Delivered electronically to "glen@wethegoverned.com"

Subject: Complaint regarding Northwest Passage Consulting, LLC; Christian Sinderman; San Juan PAC; PDC Case 100473

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 27, 2021. Your complaint alleged that Northwest Passage Consulting, LLC and Christian Sinderman may have violated RCW 42.17A.205 by failing to register as a political committee; and RCW 42.17A.235 and .240 by failing to timely file contribution and expenditure reports disclosing the financial activities of the PAC.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; responses provided by Northwest Passage Consulting, LLC and Christian Sinderman; and the applicable PDC reports filed by Respondent; to determine whether the record supports a finding of one or more violations.

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

- Northwest Passage Consulting (NWP) stated they produced and distributed a direct mail piece supporting six charter amendments on the November 2, 2021 general election ballot in San Juan County.
- NWP stated the expense was a one-time undertaking and, after reviewing the PDC's Independent Expenditure Ads & Electioneering Communications Guide and speaking with a PDC staff member by phone on October 22, 2021, filed PDC Form C-6. NWP stated after explaining the goal of the expense and asking how to report it correctly, filing a C-6 report is what was recommended.
- The sponsor identification on the direct mail piece stated, "Paid for by Northwest Passage Consulting, 105 South Main Street Suite 332, Seattle, WA 98104. Top Five Contributors: Janet Alderton; Maureen See; Jane Fuller; Kyle Davies; Janet Brownell."
- Monica Mace, a bookkeeper for NWP filed the C-6 at the direction of Mary Bowers, an employee
  of NWP who coordinated the work described in the complaint. Mace said she understood a C-6
  report was required but did not understand the group of contributors needed to register and
  report as a political committee.

- A C-6 report was required because spending on political advertising was at least \$1,000 for at least one ballot proposition, and the spending occurred within 21 days of the November 2, 2021 general election.
- Nine contributors gave a total of \$7,000. Five of the nine contributors are Charter Review members/commissioners. One contributor, Janet Alderton, gave \$5,000 and the remaining eight contributors gave \$250 each.
- Expenditures listed on the C-6 report totaled \$6,949 with \$51 remaining unspent.
- PDC staff told NWP the contributors needed to register and report as a political committee, and that the PAC, not NWP, was the sponsor of the mailing. On December 23, 2021, San Juan PAC filed a committee registration and filed one C-3 report and one C-4 report disclosing all contributions and expenditures. The expenditures totaled \$7,000, as follows:
  - o Capital City Press \$1,498.16 Mailer Printing (5,028 pieces)
  - o Propeller Head Design \$675 Mailer Design
  - Publishers Mail Services \$1,450.92 Mailer postage (5,028 pieces)
  - L2 Inc. \$310.35 Voter Database Records (8,797 Contacts)
  - NWP Consulting \$3,014.57 Direct Mail Consulting
  - o Orcas Island Food Bank \$51.00 Charitable Donation

Northwest Passage Consulting attempted to properly report the activities they coordinated supporting six charter amendments on the November 2, 2021 general election ballot in San Juan County. When informed by PDC staff that the contributors were the sponsors of the political advertising, not NWP, and that the contributors needed to register and report the activities as a political committee, NWP facilitated proper reporting by the contributors.

Based on these findings, staff has determined that in this instance, NWP filing a C-6 report as the sponsor of political advertising when the advertising was sponsored by a group of nine contributors later identified as San Juan PAC, and San Juan PAC registering and reporting its activities after a C-6 report was filed by NWP, does not amount to a violation warranting further investigation.

However, pursuant to WAC 390-37-060(1)(d), Northwest Passage Consulting, LLC / Christian Sinderman and San Juan PAC, will each receive a formal written warning concerning their respective failure to properly report the activities totaling \$7,000 supporting six charter amendments on the November 2, 2021 general election ballot in San Juan County. The formal written warnings will include staff's expectation that all future required reports of contributions and expenditures be properly and timely reported and that the proper sponsor be identified on the advertising. The Commission will consider the formal written warnings in deciding on further Commission action if there are future violations of PDC laws or rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,

Electronically Signed Philip E. Stutzman

Phil Stutzman

Compliance Officer

Endorsed by,
Electronically Signed Peter Frey Lavallee
Peter Frey Lavallee
Executive Director

cc: Northwest Passage Consulting, LLC / Christian Sinderman and San Juan PAC