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***Sent via email to:
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April 11, 2023

Phil Stutzman
Compliance Officer
Public Disclosure Commission
P.O. Box 40908
Olympia, WA 98504

Re: Case Number 122194 (509 Forward)
BIL File No. 6655-001

Dear Mr. Stutzman,

I write on behalf of 509 Forward in connection with PDC Case Number 122194 to offer 509 Forward's response to the complaint and the specific questions you have posed. The complaint is based on contributions that Lisa Brown for Congress made to 509 Forward in 2022 and alleges that such contributions triggered campaign finance rules related to sponsorship and affiliation.

- 1. 509 Forward acknowledges that it should have amended its name to "509 Forward Sponsored by Lisa Brown for Congress" 60 days prior to the 2022 election.*

Under RCW 42.17A.005, a political committee may become a sponsored committee where it "receives eighty percent or more of its contributions from [a] person[.]" WAC 390-16-011A specifies that this eighty percent threshold is calculated based on "all contributions received in the previous 12 months."

509 Forward was formed in 2021 to support progressive causes and candidates in Eastern Washington. In its first year, it received a relatively broad base of contributions, primarily from individual donors. Lisa Brown for Congress made one contribution that first year, which amounted to about 20% of 509 Forward's total contributions. In 2022, 509 Forward did not receive as broad a base of contributions. At the beginning of August 2022, Lisa Brown for Congress's contributions totaled less than 50% of the total contributions 509 Forward had raised in the preceding 12 months. By the end of the month, however, Lisa Brown for Congress's contributions crossed the 80% threshold.

509 Forward acknowledges that it should have amended its C-1pc to include Lisa Brown for Congress as a sponsor by Friday, September 9, 2022—60 days prior to the November 8, 2022, election. But the committee did not realize that it had crossed the threshold to be considered a sponsored political

committee. This was a new and relatively small political committee. It did not track its past donations closely enough to know when it had tipped past the 80% threshold.

509 Forward further acknowledges that because of this oversight, it failed to use its amended committee name in the one mailer it sent out in the 2022 election cycle. This was an innocent mistake and in no way reflected an effort to hide the significant contributions 509 Forward had received from Lisa Brown for Congress. 509 Forward accurately reported its contributions on C-3 reports, and the contributions were also publicly reported by Lisa Brown for Congress on FEC Form 3. Furthermore, in its sole political advertisement for 2022, 509 Forward included the top five contributors and top three donors, as required under WAC 390-18-010, with Lisa Brown for Congress listed first.

509 Forward has now filed an updated Form C-1pc to correct this error by amending its registration to include the sponsor's name.

2. *509 Forward and Lisa Brown for Congress are not affiliated under WAC 390-16-309.*

Two entities share campaign contribution limits under WAC 390-16-309(3) "if one of the entities is established, financed, maintained, or controlled by the other[.]" The regulation enumerates several factors to assess such affiliation.

509 Forward and Lisa Brown for Congress do not meet the test for affiliation. Lisa Brown for Congress was a federal candidate committee established and controlled by the candidate, Lisa Brown, in the 2018 campaign. The committee raised over \$5.7 million dollars to support Lisa Brown's congressional campaign, receiving its last contributions in 2018. In the process of winding down, Lisa Brown for Congress has given donations and contributions totaling over \$125,000 to a number of entities. In March 2023, Lisa Brown for Congress filed its termination report with the FEC, having distributed its remaining funds.

509 Forward was not established, financed, maintained, or controlled by Lisa Brown for Congress. As noted, 509 Forward was established in 2021 to advance progressive causes in Eastern Washington. In its first year, it received a relatively small percentage of its funding from Lisa Brown for Congress. It has three officers, Camlynne Scott, Paul Dillon and Melanie Klitzke. It has no overlap in officers or membership with Lisa Brown for Congress. Neither committee had authority or the ability to direct or participate in the governance of the other, whether formally or informally. Moreover, 509 Forward did not and does not expect ongoing contributions or support from Lisa Brown for Congress, a federal candidate committee that has now distributed all its remaining funds. Finally, 509 Forward did not coordinate with or communicate with Lisa Brown for Congress with respect to any of its campaign contribution decisions or other expenditures. For these reasons, the contributions that Lisa Brown for Congress made to 509 Forward are not sufficient to establish affiliation.

As you know, political committees routinely make contributions to other politically aligned committees. If all such contributions were deemed to create affiliation under WAC 390-16-309, a political committee would need to track the political spending decisions of every entity from which it had received contributions in the past before making campaign contributions itself. Such an interpretation would make compliance and enforcement related to campaign contribution limits extraordinarily difficult.

3. *The \$37,200 contribution from Lisa Brown for Congress to 509 Forward was made with no implicit or explicit expectation for how the funds should be spent.*

As noted, Lisa Brown for Congress made its contributions to 509 Forward without any implicit or explicit expectation regarding how the funds should be spent, and Lisa Brown for Congress did not coordinate or communicate with 509 Forward regarding its political contributions or expenditures.

4. *509 Forward sent one mailer in 2022, which was mailed on October 31, 2022, and reported on Form C-6.*

509 Forward sent out only one mailer in 2022. The mailer was a political advertisement in opposition to Al French, a candidate for Spokane County Commissioner, which was mailed on or about October 31, 2022. The mailer included a list of 509 Forward's top five contributors, with Lisa Brown for Congress listed first. The mailer was reported on a Form C-6 filed by 509 Forward on November 5, 2022. The December 5, 2022, date asserted in the complaint is merely the date on which 509 Forward paid an invoice for this mailer by check to Publishers Mailing Service.

The apparent confusion regarding this mailer likely resulted from it involving two separate expenditures as reflected in 509 Forward's December 2022 and January 2023 C-4 reports. The mailer was designed and printed by Capitol City Press and NWP Consulting and was mailed out by Publisher's Mailing Service. The total expenditure for the mailer was \$8,640.20, which included \$4,375 for the design and printing and \$4,265.20 for the mailing. The invoices for that work are attached. In reviewing this expenditure, 509 Forward has realized that, because of a miscommunication, the C-6 report it submitted mistakenly included only the \$4,375 expense. 509 Forward has now filed an amended C-6 to correct that error.

5. *The \$25,000 research expenditure was for polling intended to help 509 Forward determine funding priorities at County and City levels.*

The \$25,000 payment to Searchlight Research was for assistance with polling intended to help 509 Forward assess where best to focus their limited resources. The poll included questions on local and County races and candidates as well as questions regarding priority issues for the City and County. The bulk of the poll focused on County political races and issues. Just one out of the twenty-seven questions in the poll asked about Lisa Brown as a potential candidate for Mayor of Spokane. The poll reflects the best efforts of a local political committee to gain insights about where to focus its resources at the County and City levels. It was not focused on exploring a possible future run for Mayor by Lisa Brown.

Conclusion

509 Forward recognizes that it erred in connection with the sponsorship regulations. The committee has sought in good faith to maintain compliance with election laws and made this error through a simple oversight.

The PDC has frequently resolved similar cases through an alternate response to a formal investigation and enforcement under WAC 390-37-061. *See, e.g.,* 45th Legislative District Democrats (PDC Case 102360), Written Warning (March 1, 2022) (failure to timely file an amended committee registration and campaign reports reflecting the committee sponsor "does not amount to a finding of a

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violation that warrants further investigation”); Citizens for Lopez Solid Waste Levy (PDC Case 59315, Reminder Letter (November 22, 2019) (failure to include sponsor name in registered committee name on reports during election years 2016 & 2019 “does not amount to a violation that warrants further investigation”); Whatcom County Affordable Housing Council (PDC Case 57738), Reminder Letter (October 29, 2019) (finding failure to include sponsor name in the name of the committee was a violation “that does not warrant further investigation”).

Accordingly, 509 Forward requests that the PDC resolve this matter through a written reminder or an alternative response rather than a full investigation and adjudicative hearing. Such resolution is warranted here under the factors enumerated in WAC 390-37-061: (1) 509 Forward’s noncompliance resulted from a good faith error and did not reflect any intentional effort to conceal information; (2) 509 Forward is a small organization that was formed just two years ago and has limited experience navigating Washington’s complex campaign finance regulations; (3) 509 Forward’s noncompliance reflects an isolated good faith error, not a systematic issue with compliance; (4) the impact on the public was limited because 509 Forward accurately reported the contributions it received from Lisa Brown for Congress and listed Lisa Brown for Congress as a top five contributor on the only political advertisement it distributed in 2022; (5) 509 Forward’s expenditures were relatively modest, with just one public mailer that should have included 509 Forward’s amended name; (6) there is no evidence that any person benefited from the noncompliance; and (7) 509 Forward is cooperating with PDC staff in order to assist with the resolution of this investigation and ensure compliance with campaign finance regulations.

Please contact me with any questions or concerns at (206) 257-6009.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Schoonmaker".

Derek Schoonmaker
Counsel for 509 Forward