Respondent Name

Let's Go Washington (Sponsored by Brian Heywood)

Complainant Name

Abby Lawlor

Complaint Description

Abby Lawlor reported via the portal

(Tue, 17 Oct 2023 at 11:30 AM)

Please see attached complaint filed on behalf of SEIU 775, Civic Ventures, Washington Conservation Action, and Planned Parenthood Alliance Advocates.

What impact does the alleged violation(s) have on the public?

List of attached evidence or contact information where evidence may be found

List of potential witnesses

Certification (Complainant)

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.



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Original via webform

October 17, 2023

Peter Frey Lavallee Executive Director Public Disclosure Commission 711 Capitol Way S #206 Olympia, WA 98504

Re: Violations of the FCPA by Let's Go Washington (Sponsored by Brian Heywood)

BIL File No. 3263-331

Dear Director Lavallee:

We are writing on behalf of SEIU 775, Civic Ventures, Washington Conservation Action, and Planned Parenthood Alliance Advocates to report numerous apparent violations of RCW 42.17A.225 and .240 by Let's Go Washington (Sponsored by Brian Heywood) (Let's Go WA or Committee) related to the Committee's reporting of paid signature gathering and other campaign expenses. Let's Go WA is already on track to be the costliest effort by an individual to rewrite Washington law since at least the PDC's current era of reporting, and may be the most expensive in the state's history. Because of the unprecedented and unusual nature of Heywood's political spending and the PDC's recently opened formal investigation into the Committee, we urge you to promptly investigate these additional violations before the year-end deadline for Let's Go WA's signature gathering efforts.

I. Inaccurate and misleading reporting of \$4 million dollar paid signature gathering contract in violation of RCW 42.17A.225 and .240

Under the Fair Campaign Practices Act (FCPA), continuing committees must report all contributions received at least monthly. RCW 42.17A.225, .240. A contribution includes a loan, forgiveness of indebtedness, advance, pledge, payment, transfer of funds, or anything of value. RCW 42.17A.005(15)(a)(i). This includes in-kind contributions of goods or services. See WAC 390-16-207. PDC regulations further define "pledge" as "a promise to make a future contribution." WAC 390-16-245. An in-kind pledge is reportable if it is for a specific amount or for specific goods or services. PDC Interpretation No. 12-01.

On its September 11 C-4 report, Let's Go WA disclosed a \$400,000 in-kind contribution from Brian Heywood for paid signature gathering field work by Your Choice Petitions, LLC made on August 29, 2023. On that same date, the Committee also reported incurring a \$3.6 million debt to Your

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¹ Let's Go WA C-4 Report No. 110172123.

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Choice Petitions.² From these two data points, it is clear that a massive \$4 million paid signature gathering contract was entered into for the benefit of the Committee on that date.³ However, what is obscured by the Committee's reporting is whether the contract was entered into by Brian Heywood or by the Committee itself. Given that Heywood made an upfront payment equal to ten percent of the cost of the overall contract to Your Choice Petitions, and the Committee had at that point raised just \$57,000 in cash this year, it seems likely that Heywood entered into the contract or at least served as its guarantor. Assuming this is the case, Heywood's commitment to pay the entirety of the \$4 million signature gathering contract should have been reported as a pledge to the Committee on its September 11 C-4 report because it was a promise to make a future payment for campaign services on behalf of Let's Go WA. However, no such pledge was reported. Instead, the Committee reported a \$3.6 million dollar debt as though the Committee planned to fundraise and exhaust the debt itself.⁴

The Committee's reliance on Heywood to fulfill any payment obligations under a contract with Your Choice Petitions was further evident through Let's Go WA's October 10 C-4 report. On this report, the Committee disclosed a \$500,000 contribution from Brian Heywood on September 11, 2023 and a \$427,641 payment to Your Choice Petitions that same day. The Committee also disclosed an \$800,000 loan from Brian Heywood on September 18, 2023 and a \$900,000 payment to Your Choice Petitions that same day. Lastly, the Committee disclosed an \$8,000 cash contribution and a \$1,050,000 loan from Brian Heywood on September 25, 2023 and a \$1,053,366 payment to Your Choice Petitions that same day. This pattern demonstrates that Heywood was making agreed-to contributions and loans to the Committee for purposes of fulfilling the Your Choice Petitions contract.

The Committee's approach to reporting payments and obligations related to Your Choice Petitions creates confusion as to who is ultimately responsible for financing the colossal paid signature gathering effort currently underway in Washington state. Heywood has almost single-handedly financed the Let's Go WA effort, largely through in-kind contributions of goods and services. There can be little question that he plans to bear the cost of this signature gathering, and has almost certainly entered into an understanding with Your Choice Petitions and the Committee to that effect. And yet the Committee has failed to report this pledge as required under RCW 42.17A.225 and .240. Instead, the Committee has reported its obligations to Your Choice Petitions as being fulfilled through well-timed contributions and purported loans from Heywood (loans valued at over twelve times what the Committee has currently raised outside of Heywood's contributions). As Heywood's commitment to cover the costs of the Your Choice Petitions contract was likely known from the time the contract was entered into, it should have been reported as a pledge beginning on the Committee's September C-4 filing, providing public disclosure of this planned contribution.

² *Id*.

³ If wholly paid by Brian Heywood, this contract would represent the largest single campaign contribution by an individual in Washington state since at least 2007 and possibly in the state's history.

⁴ Let's Go WA C-4 Report No. 110172123.

⁵ Let's Go WA C-4 Report No. 110178979.

⁶ See Let's Go WA C-3 Report No. 110178982.

⁷ Let's Go WA C-4 Report No. 110178979.

⁸ See Let's Go WA C-3 Report No. 110178983.

⁹ Let's Go WA C-4 Report No. 110178979.

¹⁰ See Let's Go WA C-3 Report No. 110178980.

¹¹ Let's Go WA C-4 Report No. 110178979.

II. Inaccurate and misleading reporting of second paid signature gathering contract in violation of RCW 42.17A.225 and .240

Let's Go WA's previous reporting of payments to a second paid signature gathering firm, TDM Strategies, LLC, is already the subject of an earlier PDC complaint currently under formal investigation. However, the Committee's reporting related to this entity may have additional flaws obscuring further contributions by Brian Heywood to the Committee. On its last several C-4 reports, Let's Go WA has disclosed a significant and growing debt to TDM Strategies for paid signature gathering, a debt reported to have been initially incurred on June 30, 2023. Heywood and campaign consultant Sharon Hanek formed TDM Strategies in April 2023 for the purpose of conducting paid signature gathering on behalf of Let's Go WA. The company began hiring paid signature gatherers in May with the goal of employing as many as 200 individuals. ¹³

As discussed, in-kind contributions of goods and services, including payments to third parties considered in-kind loans, are reportable under RCW 42.17A.225 and .240. TDM Strategies is newly formed, lacks other revenue streams, and likely has significant nondeferrable payroll obligations. Thus, it seems probable that Heywood has personally provided the funds necessary for the company to remain in operation while six-figure debts from Let's Go WA are still outstanding. Any transfers of money from Heywood to TDM Strategies to pay the wages of signature collectors or other nondeferrable expenses should have either been reported as in-kind contributions to the Committee from Heywood or as in-kind loans. By reporting them as debts to TDM Strategies, Let's Go WA has likely failed to disclose Heywood's ongoing role in keeping TDM Strategies' signature gathering operation afloat and underreported Heywood's total contributions to the Committee to date.

III. Failure to report significant expenditures made to benefit the campaign in violation of RCW 42.17A.225 and .240.

A. September 13 gas station event

On September 13, 2023, Let's Go WA was the beneficiary of a stunt signature gathering event hosted by Americans for Prosperity-Washington (AFP-WA) and Future 42 at Jackson's Shell Station in Kent, Washington. ¹⁴ During the event, attendees received discounted gas and were encouraged to sign petitions for I-2117, one of six initiatives backed by Let's Go WA. ¹⁵ According to *Seattle Times* reporting, hundreds of people waited in line to purchase gas at \$3.82 per gallon, ¹⁶ during which time they were a

¹² See C-4 Reports No. 110165937 (\$29,144.80); 110166000 (\$89,632); 110172123 (\$124,079.73); 110178979 (\$163,435.75).

¹³ https://www.youtube.com/watch?v=X-2IxS tXIw.

¹⁴ See https://future42.org/media-advisory-gas-will-be-rolled-back-to-3-82-in-kent-to-highlight-why-was-gas-is-among-most-expensive-in-the-country/.

¹⁵ Id.

¹⁶ The gas was marked down from \$5.17, a discount of \$1.35 per gallon. See Organizations host \$3.82/gallon at Kent gas station to rally support against state gas tax, KIRO 7 (Sept. 13, 2023), https://www.kiro7.com/news/local/organizations-host-382gallon-kent-gas-station-rally-support-against-state-gas-tax/KD2FGCJBDZDT7FN775OWMG3UUU/. According to KIRO 7, AFP-WA and Future 42 "helped pay the price difference," but it is unclear what the financial split was between the two organizations.

captive audience for signature gatherers from Let's Go WA.¹⁷ The Committee's sponsor, Brian Heywood, was also present during the event, which garnered significant media attention.¹⁸

The sale of discounted gas and costs associated with promoting the event were apparently in-kind contributions from AFP-WA and Future 42. RCW 42.17A.005(22) defines "expenditure" to include "a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of . . . assisting in furthering or opposing any election campaign." This would include the costs associated with a discounted gas promotion that attracted people to a location for purposes of securing their support for I-2117.¹⁹ RCW 42.17A.005(15)(a) defines "contribution" to include a gift, donation, payment, or "transfer or funds, or anything of value, including personal and professional services for less than full consideration." It also includes an "expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political or incidental committee, the person or persons named on the candidate's or committee's registration form who direct the expenditures on behalf of the candidate or committee, or their agents." And WAC 390-05-210 further provides that the term contribution includes "furnishing services, property or rights on an unequal basis or at less than their fair market value . . . for the purpose of assisting any candidate or political committee." This does not require that services, property, or rights be furnished to the committee, merely that they be furnished for the purpose of assisting the committee. If Let's Go WA did not itself pay for the costs of the promotional event, then it was in receipt of an in-kind contribution from those entities that did.²⁰

Because Let's Go WA failed to report any contributions associated with the September 13 event on its October 10 C-4 report, it was in violation of RCW 42.17A.225 and .240 requiring timely disclosure of expenditures and contributions. ²¹

B. We the Governed interviews

Sometime prior to August 3, 2023, We the Governed produced three video interviews by Glen Morgan with Brian Heywood to promote the signature gathering effort by Let's Go WA. These videos were posted to Let's Go WA-run accounts on Rumble²² and YouTube,²³ and the Rumble-hosted videos were also directly embedded in the Let's Go WA website homepage.²⁴ The videos encourage individuals to sign the six Let's Go WA-supported ballot propositions and to volunteer or seek work with the campaign as paid signature collectors.

¹⁷ Conrad Swenson, Will high gas prices derail WA's climate policy? Seattle Times (Oct. 8, 2023), https://www.seattletimes.com/seattle-news/environment/will-high-gas-prices-derail-was-climate-policy/.

¹⁸ See https://future42.org/why-we-fight-for-lower-gas-prices/.

¹⁹ This stunt butts up against, if it does not in fact contravene, the restriction in RCW 29A.84.250, making it a gross misdemeanor in Washington state to "give[] or offer[] any consideration or gratuity to any person to induce him or her to sign or not to sign or to vote for or against any initiative or referendum measure."

²⁰ While the event arguably served multiple purposes, including not only support for I-2117 but also grassroots lobbying on the issue of statewide climate policy, some portion of the event costs were nonetheless reportable as an expenditure or in-kind contribution to Let's Go WA.

²¹ See Let's Go WA C-4 Report No. 110178979.

²² https://rumble.com/c/c-3649941. These videos have each been viewed nearly 20,000 times.

²³ https://www.youtube.com/@letsgowashington2957.

²⁴ See www.letsgowa.com.

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Let's Go WA has also failed to report these campaign videos as either a campaign expenditure or an in-kind contribution from Glen Morgan/We the Governed,²⁵ in violation of RCW 42.17A.225 and .240. The interviews plainly do not fall within the exception in WAC 390-16-206 for endorsements or other news media exceptions in the FCPA because they were not separately reported by Morgan and were not published through a "regularly scheduled news medium." *See* RCW 42.17A.005(30)(b); WAC 390-05-290. Instead, they were videos produced by a campaign donor²⁶ and turned over to the campaign for hosting and promotional use on its own video channels and website.

IV. Failure to properly report expenditure details in violation of RCW 42.17A.225 and .240

Under RCW 42.17A.225, continuing committees are required to file monthly reports "detailing expenditures made and contributions received for the previous calendar month," including the information required by RCW 42.17A.240. For expenditures greater than fifty dollars, this includes the name and address of the person to whom the expenditure was made and the amount, date, and purpose of the expenditure. RCW 42.17A.240(7).

On its May C-4 report, Let's Go WA disclosed a \$1,750 payment to "Palmer K." for "admin work," failing to report the full name of the person who was paid and their address. ²⁷ This same payment recurred on the Committee's June, ²⁸ July, ²⁹ August, ³⁰ and September C-4 reports without any additional disclosure. The Committee also reported a \$7,000 in-kind payment from Brian Heywood to Palmer K. for "wages" on its August C-4³² and a \$3,500 debt on its September C-4 also for "wages." By failing to timely report the full name and address of the recipient of ongoing campaign expenditures, Let's Go WA has violated RCW 42.17A.225 and .240.

As the PDC has already opened a formal investigation into Let's Go WA and the Committee's activities have only accelerated, we urge you to promptly investigate the numerous allegations that Let's Go Washington has violated the FCPA in advance of the December cutoff for signature gathering. ³⁴ Given the unprecedented spending underway by a single individual seeking to enact statewide policy on pressing issues of climate, tax policy, long-term care, policing, and education, the Committee's compliance with the FCPA is a matter of pressing public concern.

Please do not hesitate to contact us if you have any questions, or if we can be of further assistance.

²⁵ See Let's Go WA C-4 Reports No. 110166000, 110172123.

²⁶ See Let's Go WA C-4 Report No. 110097944.

²⁷ Let's Go WA C-4 Report No. 110165997.

²⁸ Let's Go WA C-4 Report No. 110165999.

²⁹ Let's Go WA C-4 Report No. 110166000.

³⁰ Let's Go WA C-4 Report No. 110172123 (this time reported as an in-kind contribution from Brian Heywood).

³¹ Let's Go WA C-4 Report No. 110178979.

³² Let's Go WA C-4 Report No. 110172123.

³³ Let's Go WA C-4 Report No. 110178979.

³⁴ While we understand the PDC is currently handling a significant volume of complaints, it should not be lost that the current resource strain at the agency is entirely by the design of Let's Go WA campaign donor and supporter Glen Morgan. Thus, the PDC should not allow Morgan's serialized and stale complaints to detract from its oversight and investigation of a committee that is presently engaged in historic levels of highly consequential political spending.

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Sincerely,

Abby Lawlor Dmitri Iglitzin

Counsel for SEIU 775, Civic Ventures, Washington Conservation Action, and Planned Parenthood Alliance Advocates