



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In the Matter of Enforcement Action
Against

Let's Go Washington (Sponsored by Brian
Heywood)

Respondent.

PDC Case 140213

Notice of Administrative Charges

I. JURISDICTION

The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17A RCW, the state campaign finance and disclosure laws; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC.

II. ALLEGATION(S)

PDC Staff alleges that in 2022, 2023 and 2024, Respondent, Let's Go Washington (Sponsored by Brian Heywood), violated RCW 42.17A.235 and .240, WACs 390-16-037 and -205, and WAC 390-16-043(9) by: (1) failing to timely and accurately report the required allocation of monetary and in-kind expenditures for signature gathering and related expenditures that benefitted six separate initiatives supported by the Committee; (2) failing to timely report the expenditures of subvendors paid by the Committee in support of six separate initiatives supported by the Committee; (3) failing to maintain and preserve books of account that substantiate expenditures incurred by subvendors paid by the Committee in support of six separate initiatives supported by the Committee; and (4) failing to timely produce campaign records when requested by PDC Staff.

III. FACTS

(1) Failure to timely and accurately report the required allocation of monetary and in-kind expenditures

1. As described in more detail below, Let's Go Washington (Sponsored by Brian Heywood) (the Committee or LGW), a Continuing Statewide Ballot Measure Committee supporting multiple initiatives, filed amended C-4 reports of contributions and expenditures in January and February 2024, for reports originally due and filed in 2022 and 2023. The original reports did not include an allocation of signature gathering and related expenditures for each of the initiatives supported by the Committee.
2. On January 9, 2024, after several PDC Staff requests, the Committee filed 11 amended C-4 reports covering the period February 1, through December 31, 2023, disclosing largely the same contribution and expenditure amounts as listed on the initial C-4 reports, but the amended C-4 reports provided the specific dollar amounts attributable to each of the six initiatives supported by the Committee for the in-kind contributions received and expenditures made. The expenditure and in-kind contribution information disclosed for Mr. Heywood on the amended C-4 reports was attributed equally to each of the six initiatives throughout the calendar year. The amended C-4 reports were filed between 30 and 305 days late.
3. On January 18, 2024, the Committee filed two amended C-4 reports covering the period November 1, through December 31, 2023, disclosing largely the same contributions and expenditures as listed on the initial C-4 reports, but providing the specific dollar amounts attributable to each of the six initiatives supported by the Committee for the in-kind contributions received and expenditures made. The amended C-4 reports were filed 8 days late, and 39 days late, respectively.
4. On February 13, 2024, the Committee filed 9 amended C-4 reports covering the period March 28, 2022, through December 31, 2022, disclosing largely the same contribution and expenditure as listed on the initial C-4 reports, but providing the specific dollar amounts attributable to each of the initiatives supported by the Committee in calendar year 2022 for

the in-kind contributions received and expenditures made. The amended C-4 reports were filed between 400 and 675 days late.

(2) Failure to timely report expenditures to subvendors

Payments to YCP

5. On August 29, 2023, LGW entered into a Professional Services Agreement with Your Choice Petitions (YCP) calling for YCP to collect up to 200,000 signatures for each of the six initiatives supported by LGW, with compensation paid to YCP at the rate of \$3.00 per signature. The agreement resulted in a \$3,600,000 Order Placed that was reported as an obligation on the Committee's initial August 2023 C-4 report, timely filed on September 11, 2023. The August 2023 C-4 report also reported a \$400,000 in-kind contribution from Brian Heywood to LGW but did not attribute a specific amount to any of the six initiatives supported by the Committee.
6. On January 9, 2024, LGW filed an amended August 2023 C-4 report disclosing the same \$3,600,000 Order Placed, attributing \$600,000 to each of the six initiatives, for signature gathering work. The January 9, 2024 amendment also disclosed the \$400,000 in-kind contribution/expenditure from Mr. Heywood, attributing \$66,666.66 to each of the six initiatives supported by LGW.
7. Staff were concerned, based on the Committee's responses as of July 25, 2024, that the Committee had either: 1) refused to provide its books of accounts; or 2) failed to maintain the books of account, as required by PDC statutes and rules. About this concern, the Committee, through its attorney, stated:

"YCP was paid a per signature fee regardless of which initiative petition was signed. Because the collection and processing of signature and petitions was extremely urgent and time consuming, the Committee paid YCP up front and in weekly installments based on verbal representations by YCP of the number of signatures collected. Concurrently, with YCP's work, the Committee would receive petitions from volunteers and other sources along with YCP-source petitions. These petitions were co-mingled making an exact attribution of any given signature to any source impossible."

8. During the years 2023 and 2024 (to date), LGW has reported payments to Your Choice Petitions (YCP) totaling \$4,038,564.00. The substantial amount of the money paid to YCP to qualify the six initiatives was of high interest to both supporters and opponents of the initiatives. Based on the Committee's statements to PDC Staff, for the six initiatives that qualified as initiatives to the legislature in 2024, the equal allocations (one sixth each) of signaturng gathering and related expenditures were not accurate measures of expenditures reported for each of the six separate initiatives supported by the Committee in 2023 and 2024.

Payments to APM

9. On October 10, 2023, LGW entered into a Professional Services Agreement with Allstate Petition Management (APM), a signature gathering firm operated by Roy Ruffino. The agreement included a section about "Assignment and Subcontractors" but did not instruct APM to track and report to LGW the amounts paid to subcontractors.
10. On January 17, 2024, the Committee sent an email to Roy Ruffino, asking whether APM had paid any subcontractors while obtaining signatures for LGW. The email provided the legal requirement of LGW to report subcontractor payments and explained what information was required to be reported. The Committee stated to APM:

"If you did use other subvendors or subcontractors in the course of your work, for LGW, please provide the names, addresses, amount of any payments, and information regarding what kind of work was done and for what project or invoice billed to LGW."
11. Mr. Ruffino responded to the January 17, 2024 email by stating:

"What you are asking for is proprietary information and is outside the realm of reason to disclose to you who Allstate Petition Management, LLC may or may not have used for any services, including but not limited to postage, rental cars, lodging, etc."

12. During the years 2023 and 2024 (to date), LGW has reported payments to APM totaling \$1,867,620.00. Based on the Committee's failure to obtain subvendor information from APM, for the six initiatives that qualified as initiatives to the legislature in 2024, the reporting provided by APM regarding its expenditures appears to be incomplete. Although LGW attempted to obtain subvendor information from APM, LGW has not reported subvendor information for payments made to APM.

(3) and (4) Failure to maintain and preserve books of account that substantiate expenditures to subvendors/Failure to timely provide books of account when requested

13. When the Committee filed its first amended C-4 reports on January 9, 2024, PDC Staff questioned whether the amounts of \$600,000 for the order placed and \$66,666 for the in-kind contribution were accurate allocations to each of the six initiatives. That led PDC Staff to request the Committee's books of account concerning the YCP's signature gathering effort. Multiple unsuccessful attempts to obtain required campaign records resulted in the issuance of a Subpoena Duces Tecum (Subpoena) on July 26, 2024 for the Committee's books of account. The books of account ultimately provided by the Committee in response to the Subpoena demonstrate that the Committee failed to maintain and preserve information that substantiate expenditures by subvendors.

IV. Law and Rules

RCW 42.17A.235 and **.240** require candidates, single election issue political committees, and continuing political committees to file timely, accurate, complete reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$750 since the last report. C-4 reports are also required 21 and 7 days before each election in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same time period and must be disclosed on Monday for contributions deposited during the previous seven days. Contribution reports must include detailed information about each contributor giving more than \$100 in the aggregate during the campaign including the contributor's name and address, the amount of the contribution, the aggregate of contributions made during the election campaign, and when the contributor's aggregate contributions exceed \$250, the occupation of the contributor and the name and location (city and state) of their employer.

RCW 42.17A.240(7) Requires filers to report the name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period

covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures.

RCW 42.17A.235(8) Requires the treasurer or candidate to preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred or for any longer period as otherwise required by law.

WAC 390-16-043(9) Requires that campaign records must be available for audit or examination by the PDC at any time upon request from the PDC.

WAC 390-16-037 requires filers to report the "purpose" of an expenditure under RCW 42.17A.240(7).

WAC 390-16-205 Requires expenditures made on behalf of a candidate or political committee by any person, agency, consultant, firm, organization, etc., employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or committee's efforts shall be deemed expenditures by the candidate or committee. In accordance with WAC 390-16-037, such expenditures shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly.

RESPECTFULLY SUBMITTED this 9th day of September 2024.

/s/ Electronically Signed
Peter Frey Lavallee
Executive Director