

Hi Kurt:

I am writing in response to PDC Complaint #140213, filed against Let's Go Washington (LGW).

As a preliminary matter, I want to note that none of the ballot measures supported by LGW have yet qualified for the ballot. To the extent that future ballot measures will qualify, they will qualify for the 2024 and not the 2023 General Election. This being the case, there has been no material impact to the public as of yet regarding the issues alleged by the complainant.

I will note that many of the allegations in this complaint consist of pure conjecture and are asserted without evidence.

To the extent that there were errors with the PDC filings, these errors were both unintentional and insignificant. I take full responsibility for my work and I am happy to work with the PDC to amend any filings if the agency determines that amendments are necessary.

Below, I will address each allegation in the complaint.

Response to Allegation #1: Failure to report the ballot proposition(s) supported by specific expenditures as required by RCW 42.17A.240(7)

The allegations here relate to in-kind contributions and not expenditures. However, I will still provide a response.

Pursuant to WAC 390-16-037: *"any person required to report the 'purpose' of an expenditure under RCW 42.17A.240(6), or 42.17A.255 (5)(b), must identify any candidate(s) or ballot proposition(s) that are supported or opposed by the expenditure **unless such candidate(s) or ballot proposition(s) have been previously identified in a statement of organization of the person required to be filed under RCW 42.17A.205 (2)(f) and (g)**"*.

The complainant notes that these ballot propositions have been identified on the committee's statements of organization. As such, the precise initiative numbers need not be disclosed in the "purpose" field on form C4 for each and every expenditure made.

Nevertheless, if the agency determines that WAC 390-16-037 does not apply here, I am happy to work with the agency to amend any reports as needed.

The complainant also writes that: *"[b]ecause the PDC's website only displays a committee's most recent statement of organization, members of the public cannot currently connect reported expenditures to prior supported ballot propositions absent adequate disclosure of the purpose of each individual expenditure."*

This statement is false: a committee's past statements of organization are available through the agency's website as part of its "Open Data" program under the dataset "Candidate and Committee Registrations". However, even if this statement were true, it would have no bearing whatsoever on LGW's reporting obligations under the law.

Response to Allegation #2A: Unlawful concealment of the true identity of R.M. [sic] in violation of RCW 42.17A.435

There was no concealment here, intentional or otherwise.

The allegations here relate to in-kind contributions and not expenditures. However, I will still provide a response.

As the complainant has noted, Sharon Hanek is indeed the owner of R.M. Consulting Services. Ms. Hanek let me know the name of her business was “R.M. Consulting Services” and so I reported it as such. I was not aware that her business was officially registered as “Research Mom Consulting Services.”

There are many businesses/sole proprietorships that have acronyms in their “DBA” tradename but are registered as different entities. Campaign treasurers must necessarily rely on the information that is reported to them by others to file accurate reports.

There are numerous other expenditures on the PDC’s website that have been made and disclosed by other campaigns for “Accounting, legal, regulatory compliance, etc.” (usually the description used to indicate a payment to a treasurer) paid to RM Consulting where the candidate’s treasurer was Sharon Hanek.

Going forward, I am happy to report “Research Mom Consulting Services” as opposed to “RM Consulting Services”.

Response to Allegation #2B: Failure to report apparent services rendered by R.M. as in-kind contributions or debts incurred by the Committee as required under RCW 42.17A.235(1)(a) and RCW 42.17A.240

We have reported all payments to RM Consulting pursuant to state law.

WAC 390-17-405 provides that: “an individual may perform services or labor for a candidate or political committee without it constituting a contribution, so long as the individual is not compensated by any person for the services or labor rendered and the services are of the kind commonly performed by volunteer campaign workers.”

Ms. Hanek performed volunteer services for LGW from June to November of 2022. This involved expenses for mileage that were reimbursed to her sole proprietorship at her request. In light of the quality of the volunteer services she performed, starting in November 2022, she was compensated for subsequent work through her sole proprietorship.

Response to Allegation #2C: Failure to provide subvendor information as required by RCW 42.17A.240(7)

The allegations here relate to in-kind contributions and not expenditures, however, I will still provide a response.

The guidance on the agency's website indicates that when disclosing in-kind contributions, the following information must be provided:

Disclosing in-kind contributions

In-kind donations that are not incidental must be fully reported in Part 1 of Schedule B to the C-4 with the following details:

- the date the contribution was received;
- the name and full address of the contributor;
- if the in-kind contribution is a good or service purchased from a vendor, include the name and the address of the vendor;
- a brief description of the contribution;
- its fair market value;
- the cumulative total this contributor has given for the primary or general election, whichever applies;
- a designation whether this contribution is for the primary or general election; and
- if the contributor is an individual who has cumulatively given more than \$250 to the campaign, including both primary and general contributions, identify the individual's employer (by name, city and state) and occupation.

We complied with that requirement by providing a brief description of the contribution as requested by the PDC. If the agency determines that additional information is required and provides a basis for that request, we are happy to amend our reports to include that information.

Response to Allegation #2D: Failure to otherwise report expenditures related to TDM Strategies as required by RCW 42.17A.235 and RCW 42.17A.240.

This allegation is false: TDM Strategies has not been paid by RM Consulting. TDM Strategies was only formed in late April of 2023, and TDM Strategies has not yet rendered any services to LGW, nor does LGW have any reportable debts owed to TDM Strategies.

Response to Allegation #3: Near total reliance on in-kind expenditures in possible violation of RCW 42.17A.235 and RCW 42.17A.240

These allegations do not constitute a violation of RCW 42.17A or WAC 390, although I will note that the committee does have a bank account and has disclosed the location of that bank account on our statement of organization (C1PC). Relating to pledges, the complainant conveniently omitted the fact that in order for a pledge to be reportable, it must be for a specific amount with every intention of the giver to pay the stated amount in its entirety. See PDC Interpretation 12-01. A general desire to continue to support a committee with possible future in-kind contributions is not reportable as a pledge.

The complaint also notes that they: *"...cannot glean any sense of what money Heywood is planning to spend on behalf of the Let's Go WA."* Under the FCPA, candidate committees and political committees are not required to attempt to predict what levels of spending it may or may not spend in the future.

It is true that Mr. Heywood has provided "the near-exclusive source of campaign spending" for LGW. This is a fact that should be construed in favor of, and not against, LGW and Mr. Heywood.

RCW 42.17A.005 (41) provides that an individual spending only their own money and having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition is **not** a political committee. If an entity is not a political committee, they have no obligation to file C3 or C4 reports under RCW 42.17A.235 or .240.

Under these statutes, my understanding is that an individual who seeks to qualify an initiative or referendum using exclusively their own funds has no obligation to register as a political committee or file C3 or C4 reports. Notwithstanding this, LGW was filed as a political committee and has filed regular C3 and C4 reports, which has had the result of greater transparency compared with the alternative.

Sincerely,

Conner Edwards
Professional Campaign Treasurer