



State of Washington

PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH
RCW 42.17A

Let's Go Washington, (Sponsored by Brian Heywood),
a 2022, 2023, and 2024 Washington State Political
Committee

Respondent

PDC Case 140213

Report of
Investigation

I. Background, Allegations/Complaints, and Committee Registrations

Background

- 1.1 RCW 42.17A.205 concerns political committee and candidate registrations and states “every political committee shall file a statement of organization with the commission ...within two weeks after organization or within two weeks after the date the committee first has the expectation of receiving contributions or making expenditures in any election campaign.” The statement of organization must disclose “the ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition.”
- 1.2 The name of a sponsored committee¹ on the statement of organization “must include the name of the person who is the sponsor of the committee.” The PDC statutes and rules allow a political committee to support or oppose more than one ballot proposition, but the committee must timely and accurately disclose all expenditures made and in-kind contributions received, and the amounts of goods or services attributable to each initiative based on actual costs, as noted in WAC 390-16-037. In addition, any contributions that are

¹ Per RCW 42.17A.005(47), a sponsor includes any person from whom a committee receives eighty percent or more of its contributions.

earmarked by a contributor for a specific ballot proposition must be properly disclosed as such by the Committee.

Additional statutory and regulatory authority is collected at the end of the Report of Investigation.

Allegations/Complaints/Initial Hearing (Case Status Review)

Complaint 1, in Brief (Exhibit 1)

1.3 On July 19, 2023, Abby Lawlor, an attorney with Barnard, Iglitzin, & Lavitt, LLP filed Complaint 1 on behalf of her clients² against Let's Go Washington (Sponsored by Brian Heywood) (the Committee or LGW). The Committee is a continuing committee that currently is supporting multiple ballot propositions. The complaint alleged that the Committee violated:

1. RCW 42.17A.235 and .240 by failing to timely and accurately file Summary Full Campaign Contributions and Expenditures Reports (C-4 reports) disclosing contribution and expenditure activities, including in-kind contribution details for the expenditures made, and which initiatives were supported by said in-kind contributions.
2. RCW 42.17A.435 by concealing the identity of vendors that provided goods and services for expenditures made in the form of in-kind contributions that were received from Brian Heywood.

1.4 On October 11, 2023, the PDC conducted an Initial Hearing (Case Review Status) and opened a formal investigation into the allegations.

Response to Complaint 1, in Brief (Exhibit 2)

1.5 On August 2, 2023, Conner Edwards, then Campaign Treasurer, responded on behalf of LGW, stating, to the extent there were errors in PDC filings, the errors were both unintentional and insignificant. Mr. Edwards said he takes full responsibility for his work and is happy to work with the PDC to amend any filings if the agency determines that amendments are necessary.

Reply to LGW's Response to Complaint 1, in Brief (Exhibit 3)

1.6 On August 24, 2023, Abby Lawlor, on behalf of her clients, replied to the LGW response to Complaint 1. Ms. Lawlor's letter made the following assertions concerning the LGW response:

- 1) The public has an established present interest in disclosure related to efforts to qualify ballot propositions;

² SEIU 775, Civic Ventures, Washington Conservation Action, and Planned Parenthood Alliance Advocates.

- 2) Let's Go Washington cannot avoid disclosure by relying on in-kind contributions;
- 3) Let's Go Washington has failed to adequately report the ballot proposition(s) supported by specific in-kind expenditures;
- 4) Let's Go Washington has failed to adequately report work performed by Research Mom;
- 5) Let's Go Washington has failed to adequately report work performed by TDM Strategies;
- 6) Let's Go Washington has failed to adequately report planned spending; and
- 7) Brian Heywood is sponsoring multiple committees supporting the same ballot propositions, in violation of RCW 42.17A.205(5).

Response to Reply to LGW's Response to Complaint 1, in Brief (Exhibit 4)

- 1.7 On October 10, 2023, Conner Edwards responded to each of the seven points in the complainant's August 24, 2023, letter taking issue with LGW's response to Complaint 1. Mr. Edwards acknowledged that, as the Complainant pointed out, Sharon Hanek is the owner of R.M. Consulting Services. Mr. Edwards said Ms. Hanek let him know her business was "R.M. Consulting Services" which is why he reported it that way. Mr. Edwards said, going forward he was happy to report the business name as "Research Mom Consulting Services" as opposed to "RM Consulting Services" but no amendments of past reports were filed until 2024. For example, the May 2023 C-4 report filed June 9, 2023 included an in-kind contribution from Brian Heywood to LGW by paying \$14,000 for "Initiative Outreach and Distribution Services (RM Consulting)." The report was amended on January 9, 2024, with the description, "Initiative Outreach and Administrative Services (Research Mom Consulting)."

Complaint 2, in Brief (Exhibit 5)

- 1.8 On October 17, 2023, Ms. Lawlor submitted Complaint 2 on behalf of her clients, alleging further violations by the Committee of RCW 42.17A.235 and .240 by:
 - 1) Filing inaccurate and misleading C-4 reports and disclosing \$4 million in in-kind contributions from Mr. Heywood that paid for signature gathering efforts in support of multiple statewide initiatives;
 - 2) Filing inaccurate and misleading C-4 reports for second paid signature gathering contract;
 - 3) Failing to report significant expenditures made to benefit the campaign, including a gas station event and interviews by We the Governed; and
 - 4) Failing to properly report expenditure details, including the name and address of the person to whom an expenditure was made and the amount, date, and purpose of the expenditure.

Response to Complaint 2, in Brief (Exhibit 6)

- 1.9 On November 2, 2023, Dan Brady, an attorney representing LGW, responded to the allegations in Complaint 2 by stating that most of the allegations revolve around issues addressed in the complainant's earlier letters and the Committee's responses. Mr. Brady did, however, address a few of the specific allegations in Complaint 2.
- 1.10 Mr. Brady stated that Brian Heywood, the sponsor of Let's Go Washington, did not guarantee the \$3.6 million contract between Your Choice Petitions and Let's Go Washington to obtain 200,000 signatures for six separate initiatives. He stated there is no such language in the contract. He said Mr. Heywood did not make any commitment to the Committee or to YCP, either through the Committee or directly, to pay for any portion of any such agreement. Mr. Brady noted that Mr. Heywood had every intention of, and did, in fact, solicit additional funding for the signature gathering project.
- 1.11 Mr. Brady stated that the September 13, 2023 "gas station event" jointly directed by Americans for Prosperity and Future 42 was not an in-kind contribution to the Committee. He said the Committee did not plan and was not made aware of the event until a few days before it occurred. Mr. Brady said it was the Committee's understanding that the sponsors of the event would be filing a Grassroots Lobbying Report because it urged attendees to contact their legislators about "Cap and Trade" legislation. Mr. Brady said because one of the organizers may have made some statements in support of I-2117 at the event, the Committee asked for an accounting of the value of any support received so it could be reported on an amended C-4 report. Staff noted that L-6 reports filed by Future 42 list Brian Heywood as a Director. The September 2023 C-4 report that was amended on January 9, 2024, included an in-kind contribution from Future 42 in the amount of \$4,714.27 with a description of "Portion of Jackson's Shell Station Reduced Gas Cost Event Attributable to I-2117."
- 1.12 Mr. Brady said Glen Morgan and his organization, We the Governed, has, for years, published countless media stories about candidates and ballot propositions. He said the Committee did not pay for any of the interviews conducted by Mr. Morgan and the Committee has not received any notification that an in-kind contribution was intended. He said the Committee simply imbedded the interview on its website, as allowed by anyone.

Complaint 3, in Brief (Exhibit 7)

- 1.13 On August 15, 2024, Ms. Lawlor filed Complaint 3, on behalf of Defend Washington against Let's Go Washington (Sponsored by Brian Heywood) alleging that the Committee had violated both the Fair Campaign Practices Act, RCW 42.17A, and the Fair Campaign Practices Code, WAC 390-32-010, immediately after the Commission's July 25, 2024, meeting.
- 1.14 PDC Staff informed the Committee that it did not need to respond to the allegation in Complaint 3 concerning the Fair Campaign Practices Code, Chapter 390-32 WAC, because it is staff's position that the Code was written by the Commission for candidate campaigns, not ballot proposition campaigns. Staff asked the Committee to respond to the allegation that the Committee's July 2024 C-4 report does not include expenditures or in-kind

contributions for the activities described in the complaint. Staff asked the Committee to state whether the expenditures have been or will be reported, and if they will be reported, when they will be reported.

- 1.15 The complaint alleged that the Committee again offered discounted gas to voters to induce them to vote for Let's Go Washington-backed initiatives, which the complainant alleged implicates criminal provisions that are beyond the scope of the Commission's authority and that, in the view of the Complainant, continue to justify referral of this investigation to the Attorney General.

Response to Complaint 3, in Brief (Exhibit 8)

- 1.16 The Committee responded by acknowledging that Let's Go Washington has held events during which the cost of gasoline or the price of a burger has been discounted, but stated it is also true that there is nothing illegal about such events.
- 1.17 The Committee also responded by stating that Let's Go Washington has complied with the requirements set forth in Chapter 42.17A RCW and Title 390 WAC with regard to reporting the expenditures incurred for these events.
- 1.18 The Committee stated that "for the July 29 roll back event, Let's Go Washington has been invoiced a total of \$833.81 for the gas purchased. The invoice remains unpaid, however, because the station's corporate owner requires a specific payment method that is in the process of being arranged by Let's Go Washington. Thus, under WAC 390-16-042, the less than \$1000 invoice was not required to be reported on Let's Go Washington's July C4 report. The expenditure will be reported upon payment, likely for the August C4 reporting period. For the August 17 Enumclaw event, the cost of the burgers amounted to \$200 and will be reported on Let's Go Washington's August C4 as required. The August roll back events have not yet been invoiced, and, of course, neither has the planned August 27 and August 29 events. Those expenditures will be timely reported as required."
- 1.19 The Committee concluded its response by stating that the complaint is without any factual or legal basis and that Let's Go Washington is fully compliant with Washington's campaign finance laws.

LGW's Committee Registrations

Calendar Year 2022

- 1.20 On April 22, 2022, the Committee filed a Committee Registration (C-1pc) initially registering as a single-election committee for the 2023 election. The registration listed Brian Heywood as the Sponsor, Chair, and principal-decision maker, with Conner Edwards as Treasurer. The Committee stated "TBD" on the Registration under the Ballot Propositions category regarding which Initiatives or Referendums are being supported. The committee amended the initial registration to become a continuing committee on July 21, 2023.

- 1.21 From April 16 through May 31, 2022, the Committee filed four amended or updated Committee Registrations, ultimately indicating that the Committee would be supporting Initiatives #1474; #1475; #1480; #1491; #1495; #1502; #1505; #1508; #1509; #1510; and #1512.
- 1.22 None of the 11 initiatives that were supported by the Committee in 2022 received sufficient signatures to qualify for the November 2023 general election ballot.

Calendar Year 2023

- 1.23 Between July 7 through November 28, 2023, the Committee filed four amended or updated Committee Registrations listing Brian Heywood as the Sponsor, Chair, and principal-decision maker, with Conner Edwards as Treasurer, and indicating that the Committee would be supporting Initiatives #2109; #2111; #2113; #2117; #2124; and #2081. The six ballot measures were all filed as initiatives to the Legislature.
- 1.24 The Committee timely filed C-4 reports for calendar year 2023 disclosing the receipt of \$2,867,702.32 in monetary contributions received, \$4,499,000 in monetary and in-kind contribution/loans received from Brian Heywood, and \$7,658,132.70 in expenditures made, inclusive of 2022 carryforward amounts.
- 1.25 The amended Committee Registrations filed with the PDC on November 24 and 28, 2023, disclosed the same information, including supporting all six ballot measures. These documents listed Jason Michaud as the new Ministerial Treasurer, with no "full" Treasurer.
- 1.26 All six ballot measures filed by the Committee as Initiatives to the 2024 Legislature obtained sufficient signatures to qualify for the 2024 Legislative Session and were introduced as legislative matters during the start of the session.

Calendar Year 2024

- 1.27 On May 13, 2024, the Committee filed an updated Committee Registration for calendar year 2024 listing Brian Heywood as the Sponsor, Chair, and principal-decision maker, Jason Michaud as Ministerial Treasurer, and no "full" Treasurer.
- 1.28 The Registration indicated the Committee would be supporting Initiative #2066 in an attempt to qualify the measure for the November 2024 general election ballot. The Registration further indicated that the Committee would continue to support the six legislative initiatives that received sufficient signatures in 2023.
- 1.29 The Committee timely filed C-4 reports for January 1 through June 30, 2024, disclosing the receipt of \$3,868,676.22 in monetary and in-kind contributions received that included \$15,755 in Committee surplus funds carried forward, \$2,933,329.95 in expenditures made, a \$935,346.27 cash on hand balance, and \$4,863,601.70 in outstanding loans owed to Brian Heywood, as well as orders placed, debts, and obligations.

- 1.30 Initiative #2066 received sufficient signatures by the July 2024 deadline and will be appearing on the November 5, 2024, general election ballot.

II. Investigative Findings

- 2.1 Three of the six initiatives to the legislature, as noted below, were accepted by the legislature and became law in 2024:

1. Initiative 2081 (Jim Walsh) Filed 4/19/23; Washington Parents' Bill of Rights
2. Initiative 2111 (Jim Walsh) Filed 5/19/23; No taxes Based on Personal Income
3. Initiative 2113 (Jim Walsh) Filed 5/25/23; Restore Police Pursuit; and

The remaining three initiatives to the legislature, as noted below, were not accepted by the legislature and will appear on the November 5, 2024, general election ballot:

4. Initiative 2109 (Jim Walsh) Filed 5/17/23; Repeal the State Capital Gains Tax
5. Initiative 2117 (Jim Walsh) Filed 5/30/23; Repeal the Cap and Trade Tax
6. Initiative 2124 (Jim Walsh) Filed 6/13/23; Long Term Care Opt Out Option

2023 Committee Reporting

- 2.2 All six initiatives were run out of and through one political committee. The 2023 initiative effort was almost entirely funded by Brian Heywood, who was the sponsor of the Committee as well as the Chair and principal decision-maker.
- 2.3 From April 1, 2022, through March 31, 2024, the Committee timely filed 24 initial C-4 reports disclosing contribution and expenditure information undertaken by the Committee to support multiple initiatives in calendar years 2022 and 2023. The Committee reports filed for calendar year 2023 disclosed the receipt of \$2,867,702.32 in monetary contributions received, \$4,499,000 in monetary and in-kind contribution/loans from Brian Heywood, and \$7,658,132.70 in expenditures made.
- 2.4 The first monetary contribution that was not a loan or in-kind contribution from Mr. Heywood was a \$50,000 monetary contribution received on August 24, 2023, from the Puget Sound Chapter of the National Electrical Contractors Association PAC. Contributions received from a source other than Mr. Heywood totaled \$1,130,097 and represented slightly more than 15% of all contributions received.

Calendar Year 2023 Expenditures

- 2.5 The \$7,658,132.70 in total Committee expenditures made in CY 2023 included the following vendors:

Your Choice Petitions, LLC

- 2.6 On August 29, 2023, Let's Go Washington entered into a Professional Services Agreement with Your Choice Petitions (YCP). **(Exhibit 9)** The agreement called for YCP to collect up to 200,000 signatures for each of the six initiatives supported by LGW, with compensation paid 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.
- 2.7 The report did not attribute a specific amount of the obligation to any of the six initiatives being supported by LGW. The Professional Services Agreement was executed between LGW and YCP. It required LGW to pay YCP a non-refundable \$400,000 deposit on August 29, 2023, for the sole purpose of executing the services covered by the agreement. The agreement required the \$400,000 deposit to be applied to the last 22,000 signatures collected for each of the six initiatives. Brain Heywood paid the \$400,000 deposit on August 29, 2023. The initial August C-4 report reported the \$400,000 payment as an in-kind contribution from Mr. Heywood but did not attribute a specific amount to any of the six initiatives supported by LGW.
- 2.8 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, amended August 2023 C-4 report 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.
- 2.9 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, which is what led to staff requesting the Committee's books of account concerning the YCP's signature gathering effort.
- 2.10 The only books of account initially provided to PDC Staff to verify the accuracy of the \$3,600,000 order placed, which represented almost 50 percent of all Committee expenditures and orders placed for calendar year 2023, was a heavily redacted copy of the Professional Services Agreement between LGW and YCP. Campaign records requested by PDC Staff must be provided when requested, pursuant to WAC 390-16-043(9).
- 2.11 On July 19, 2024, the Committee's attorney, Dan Brady, responded by email to staff's further inquiry by providing a narrative summary of the number of signatures collected by YCP during 2023.³ The email indicated that YCP collected the following number of signatures for the six initiatives:
- (1) I-2081, 217,455 signatures collected;
 - (2) I-2124, 217,062 signatures collected;
 - (3) I-2109, 225,653 signatures collected;
 - (4) I-2111, 257,486 signatures collected;
 - (5) I-2113, 240,192 signatures collected; and

³ In an apparent typographical error, the email refers to signatures gathered by TDM, although the amounts align with, and were presented in the context of, the YCP expenditures.

(6) I-2117, 296,074 signatures collected.

2.12 This breakdown, however, included the following disclaimers:

- “PLEASE NOTE: These numbers are estimates only and were determined after payment was remitted to YCP and only after all petitions were scanned by the committee.”
- “As with TDM, these numbers are as accurate as the Committee can determine.”

2.13 Other than the redacted Terms of Agreement, and despite repeated requests by PDC Staff, as of the July 25, 2024, Commission meeting, no documents, invoices or books of accounts had been provided to verify the information provided in the amended August 2023 C-4 report.

TDM Strategies, LLC

2.14 Staff reviewed the Initial Report filed by TDM Strategies, LLC (TDM) with the Washington Secretary of State Corporations Division, which listed TDM's nature of business as “Administration & Business Support Services.” The principals or governors of TDM, LLC were listed as Brian Heywood and Sharon Hanek.

2.15 The Committee disclosed 37 expenditures to TDM between June 30 and December 31, 2023, totaling \$565,803.35, and listed the descriptions in support of all six initiatives for those expenditures as, variously: “Voter signature/petition gathering costs”; “Signature Gathering Supporting”; or “Signature Gathering for Sponsored Initiatives.”

2.16 In the Committee's responses to PDC requests for additional information, Mr. Brady stated that TDM is a private company and indicated that PDC Staff should be talking with TDM about the services being provided and not the Committee. Staff responded that the Committee hired or contracted with TDM as a vendor — one which lists the Committee Chair, sponsor, and principal decision-maker (Brian Heywood) as a Governor, and whose other Governor, Ms. Hanek, was coordinating the Committee's volunteer signature gathering efforts and billing the committee for her services — and the Committee thereby incurred its own disclosure obligations.

2.17 Staff made three separate requests for the Committee's books of accounts concerning the 37 separate expenditures or in-kind contributions made to TDM during calendar year 2023.

2.18 The only information provided by the Committee was in a narrative format stating that TDM was hired by the Committee on “an hourly basis to gather signatures for all six initiatives. TDM was not paid per signature....and the Committee believes TDM used employees for all work.”

2.19 Despite PDC Staff requests, no documents, invoices or books of accounts were provided by the Committee to verify or confirm the cursory information disclosed as of July 25, 2024, concerning the 37 separate expenditures or in-kind contributions made to TDM during calendar year 2023.

Amended Committee C-4 reports:

- 2.20 Beginning in September 2023, PDC Staff engaged in ongoing communication with the Committee, indicating a need to amend its filings. Since the Committee elected to file one Committee Registration to support all six ballot measures, PDC Staff requested that the Committee disclose in-kind contributions and expenditures based on the actual costs incurred for each ballot measure as required by Chapter 42.17A RCW.
- 2.21 From staff's initial request made to the Committee on September 13, 2023, until the first amended C-4 reports were filed on January 9, 2024, 118 calendar days had elapsed. The expenditure and in-kind contribution information for the amounts of each activity attributable to each initiative was not disclosed to the public until the signatures had already been collected, the signatures were verified and confirmed by the Secretary of State, and the six ballot measures were introduced as 2024 legislation.
- 2.22 The Committee eventually filed the following amended C-4 reports:
1. On January 9, 2024, after several 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.
 2. 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 attributed equally 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.
 3. 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 contributions and expenditures as listed on the initial C-4 reports, but providing the specific dollar amounts attributed equally 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.
- 2.23 PDC Staff routinely requests both candidates and political committees, including ballot measure committees and political party committees, to file amended C-3 and C-4 reports disclosing a variety of monetary and in-kind contributions, loans, expenditures, orders-placed, debts and obligations.

- 2.24 Staff made at least four separate requests to the Committee since April 2024 for its documents and books of account, specifically requesting information relating to Committee vendors TDM Strategies, LLC and Your Choice Petitions, LLC. However, the only documentation provided as of July 25, 2024, was a heavily redacted Professional Services Agreement between LGW and Your Choice Petitions and three narrative responses providing limited information concerning the scope of the work performed. As of July 25, 2024, the Committee failed to provide requested books of account to verify the expenditures and in-kind contributions made by Mr. Heywood and the Committee, and the amounts of those activities attributable to each initiative.
- 2.25 As of July 25, 2024, 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, Mr. Brady stated the following in his June 26, 2024 email response to the PDC:

"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."

Subpoena Duces Tecum Issued for the Committee's Records

- 2.26 On July 26, 2024, PDC staff issued a Subpoena Duces Tecum for the Committee's records. On August 2, 2024, the Committee produced Volume 1, consisting of copies of Let's Go Washington's paper and non-email electronic record, "books of account."
- 2.27 On August 9, 2024, after requesting and receiving a one-week extension, the Committee produced Volume 2, consisting of copies of the email records supporting Let's Go Washington's "books of account."
- 2.28 On August 12, 2024, a replacement file for Volume 1 was produced.
- 2.29 The production included over 6,000 items consisting of over 9,000 pages and approximately 200 native format files.

Reporting of Payments to Subvendors/Contractors

- 2.30 The Committee resisted reporting payments by vendors to subvendors. On October 10, 2023, Conner Edwards, the Committee's then treasurer, sent an email, in response to PDC Staff's email to Mr. Brady, that included 12 questions to staff, all concerning filing the Committee's amended C-4 reports to bring the reports into compliance. (**Exhibit 10**). The 12 questions included various inquiries into the legal basis for certain reporting requirement and technical issues on how to report expenditure details, including:

- “What is the basis of your request that we break out the in-kind contributions by initiative”, and “the basis of your request that we provide the sub-vendor breakdown for in-kind contributions?”
- “What is our obligation as a committee to seek out information about sub-vendors, and if we receive a receipt or invoice that does not indicate that a sub-vendor was used, are we obligated to request this information from every vendor for every purpose?”
- “If the vendor does not provide this information in response to our requests, how should we handle this? When breaking out sub-vendor information about in-kind contributions and expenditures, to what degree do you expect us to disclose granular detail?”
- “What format would you like us to use to disclose sub-vendor information about in-kind contributions? Over what time period do you want us to amend our reports to include the level of detail you are seeking? When breaking out in-kind contributions by sub-vendors, are you also requesting that we include the address of the vendors and/or sub-vendors? If so, is it OK to simply include the city and state where the vendor/sub-vendor is located or are you requesting that we disclose the full address?”
- “For expenditures and in-kinds (and debts I assume?) how would you like us to disclose the per-initiative cost associated with a particular item? Why does the agency’s guidance not match up with what you are requesting us to disclose, particularly as it relates to breaking down sub-vendors for in-kind contributions?”
- “What is the date that you are requesting the committee make these changes by? If we make the changes you’ve proposed, will the agency dismiss the complaint or will the agency request that we make additional changes?”

- 2.31 On October 26, 2023, PDC Staff responded to Mr. Edwards’ email, addressing many of Mr. Edwards’ questions, but prefacing the correspondence with the statement: “This is a PDC investigation concerning a complaint filed against Let’s Go Washington (Sponsored by Brian Heywood), and not a question-and-answer session with Filer Assistance or related to any stakeholder work. PDC Staff will not be responding to every question, point by point, that you submitted. Staff understands you are asking these questions to seek guidance for bringing the committee into compliance with the law, and the answers provided here are offered as what staff believes would achieve that purpose. Of course, the committee may seek its own counsel on the law.” (**Exhibit 11**)
- 2.32 On November 6, 2023, Mr. Edwards sent an email response to the PDC in response to an October 26th email from PDC Staff. Mr. Edwards stated that he wanted “to reiterate that the amendments that you appear to be proposing would be an extremely time-consuming proposition for the committee to attempt to accomplish. Additionally, they don’t appear to be required by any law or rule. These changes are not something that could just happen overnight. I am unable to provide an exact estimate on the amount of time it would take to

make these changes because your answers contain quite a bit of ambiguity with respect to exactly what you are asking us to do..." (**Exhibit 12**)

2.33 Mr. Edwards stated, "This effort is a unique challenge for all of us." He said the Committee is transitioning into a more "traditional funding model" for a ballot measure committee by receiving contributions from other contributors and making expenditures out of the Committee bank account, which "will make future reporting much more straightforward." Mr. Edwards added that this was the first time he had heard the "PDC position that in-kind contributions are required to be broken down by sub vendor." Mr. Edwards then:

- questioned how the Committee was supposed to determine if vendor invoices included the required sub-vendor information, and hypothetically asked if the invoice was "missing sub-vendor what is the Committee's responsibility?"
- once again requested staff to clarify what was meant by asking the Committee to disclose the "pro-rata amount if the in-kind/expenditure is attributable equally to all six initiatives" and asked staff to provide an example of how to report.
- stated, "it appears PDC Staff is requesting the Committee to make changes that go beyond the requirements of the law" and stated the Committee would actively consider the most appropriate way to cooperate and respond, stating, "staff needs to understand how much time and effort it will take to comply with your supplemental requests. I think that the current lack of specificity makes it difficult for us to gauge this."

2.34 On November 15, 2023, Kim Bradford, PDC Deputy Director, sent an email on behalf of PDC Staff to Mr. Edwards replying to his earlier email. Ms. Bradford stated that staff had provided the Committee with guidance in amending the C-4 reports to complete the filing requirements for a ballot measure committee, and as noted in the prior communications to Mr. Edwards, staff does not intend to "engage in a general discussion about the law." Ms. Bradford added that the Committee was represented by legal counsel and said Mr. Edwards's latest email mostly includes his thoughts and rebuttal to the guidance from staff that the Committee had requested. (**Exhibit 13**)

2.35 Ms. Bradford provided additional information about two of Mr. Edwards's questions: (1) concerning the pro-rata amount of each expenditure being attributable equally to all six initiatives, she stated that hypothetically if the pro-rata amounts were spent on just two initiatives, the expenditure amounts would be divided proportionally among those two initiatives. She also expanded on two earlier examples provided by staff; and (2) concerning whether the Committee could report expenditures by submitting a PDF attachment to the report, she advised that the Committee should have amended the reports "to include the amounts attributed to each initiative so that the public has ready access to the expenditure totals via electronic reporting, as the law requires."

Agreements/Contracts with Signature Gathering Firms

Your Choice Petitions (Brent Johnson)

- 2.36 On August 29, 2023, Let's Go Washington entered into a Professional Services Agreement with Your Choice Petitions. **(Exhibit 9)** The agreement included a section about "Assignment and Subcontractors" but did not instruct YCP to track and report to LGW the amounts paid to subcontractors.

Allstate Petition Management (Roy Ruffino)

- 2.37 On October 10, 2023, LGW entered into a Professional Services Agreement with Allstate Petition Management APM), a signature gathering firm operated by Roy Ruffino. **(Exhibit 14)**
- 2.38 The agreement called for APM to obtain up to 125,000 signatures for each of LGW's six initiatives, between October 3, 2023, and December 18, 2023, at a rate of \$2.00 per signature. 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.
- 2.39 On January 17, 2024, Kelly Palmer, of LGW, 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, including the following language:

"As you are aware, under Washington State Public Disclosure Law, RCW 42.17A.235, all political campaigns, PACs, and political committees of any kind are required to disclose to the public all expenditures made during the course of the year including the name and address of any and every vendor or payee, purpose of payment, as well as additional details, such as number of items purchased (as applicable) and the date of payment or obligation. As a ballot measure campaign committee, Let's Go Washington (LGW) is required to comply with this law. In addition, the law requires that any subvendors or subcontractors used by any vendors of payees of LGW also be disclosed to the public.

"For example, if LGW creates a mail piece to be sent to voters, LGW might hire a firm to design, print and process/mail the piece. LGW is required to disclose the firm name and address and that the purpose of the expenditure was a mail piece along with the number of pieces sent. If the firm hired to send this mailer does its own design and printing and processing/mailing in-house, that will all be disclosed as being just from that firm. However, if the firm hires another firm or firms to do the design work, the printing, and the processing/mailing, then each firm must be disclosed including the payment made to the firm by the original vendor or contractor to complete the work done for LGW.

"Because your firm is a vendor and payee of LGW, I am writing you to find out if any subvendors or subcontractors were used by your firm during the course of your providing goods and/or services to LGW. If you did not use any subvendors or subcontractors, please reply to this email indicating such. 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. Time is of the essence, and your prompt reply is appreciated. Thank you, Kelly Palmer" **(Exhibit 15)**

- 2.40 Roy Ruffino responded on behalf of APM by stating, “Kelly, 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.”
- 2.41 No evidence was found that LGW followed up or took legal action against APM to obtain the requested information.
- 2.42 **Collective Voice Solutions, Inc.**
- 2.43 On May 10, 2024, LGW entered into a Services Agreement with Collective Voice Solutions to circulate and gather up to 425,000 completed petitions for statewide ballot measure I-2066 through July 5, 2024. The fee structure increased as the number of completed petitions increased. (**Exhibit 16**)
- 2.44 The Services Agreement included a section on Assignment and Subcontractors and a subsection on Subcontractor Disclosure, that stated explicitly what was required. It stated:
- “Vendor agrees to disclose to LGW any subcontractors used for any services provided to LGW by the vendor. Any such work completed by any subcontractors will be disclosed on every invoice referenced in Section 5 and will include the following:
- a) The name and address of the subcontractor
 - b) The nature of service(s) provided; and
 - c) Total cost of the service(s)”

Examples of Initial and Amended C-4 reports filed by Let's Go Washington

September 2023 C-4 report:

- 2.45 On October 10, 2023, the Committee timely filed the September 2023 C-4 report disclosing \$2,458,940.00 in monetary contributions received, \$262 in in-kind contributions and expenditures received/made, and \$3,698,511.60 in total expenditures made. The expenditures provided no details concerning the amounts attributable to each initiative and included the following: (1) a \$427,641.00 debt payment to YCP for signature gathering costs; (2) a \$900,000.00 debt payment to YCP for signature gathering costs; (3) and a \$1,053,366.00 debt payment to YCP for signature gathering costs. The report did not include an in-kind contribution from Future 42 for a portion of Jackson's Shell Station Reduced Gas Cost Event held September 13, 2023.
- 2.46 On November 10, 2023, the Committee filed an amended September 2023 C-4 report disclosing the same contributions and expenditures but adding an in-kind contribution from Future 42 for a portion of Jackson's Shell Station Reduced Gas Cost Event held September 13, 2023. The reported in-kind contribution totaled \$4,714.27 and was reported 30 days late.

- 2.47 On January 9, 2024, the Committee amended the November 10, 2023 amendment of the September 2023 C-4 Report, but attributing the amounts equally to each of the six initiatives submitted to the legislature in 2023. The amended September 2023 C-4 report was filed 90 days late.

October 2023 C-4 report:

- 2.48 On November 10, 2023, the Committee timely filed the October 2023 C-4 report disclosing \$2,240,380 in monetary contributions received, \$262 in in-kind contributions and expenditures received/made, and \$2,180,889.87 in total expenditures made. The expenditures provided no details concerning the amounts attributable to each initiative and included the following: (1) a \$920,000 expenditure made to Your Choice Petitions, LLC, on October 2, 2023, for "Debt payments"; (2) six expenditures to made to Allstate Petition Management, LLC totaling \$839,724 for "Voter signature and petition gathering costs"; (3) four expenditures made to TDM Strategies totaling \$236,502 for "Voter signature and petition gathering costs" and "Debt Payment."
- 2.49 On January 9, 2024, the Committee filed an amended October 2023 C-4 report disclosing the same contributions and expenditures but attributing the amounts equally to each of the six initiatives submitted to the legislature in 2023. The amended October 2023 C-4 report was filed 60 days late.

November 2023 C-4 report:

- 2.50 On December 11, 2023, the Committee timely filed the November 2023 C-4 report disclosing \$708,675 in monetary contributions received, \$2,787 for in-kind contributions and expenditures received/made, and \$775,767 in total expenditures made. The Committee expenditures provided the amounts attributable to each initiative.
- 2.51 On January 18, 2024, the Committee amended the original November C-4 report, disclosing \$708,675 in monetary contributions received, \$4,062 for in-kind contributions and expenditures received/made, and \$806,042 in total expenditures made. In the amended C-4 report, monetary contributions received did not change; in-kind contributions/expenditures increased by \$1,275; and monetary expenditures increased by \$30,275. The amended report was filed 38 days late. Additional in-kind contributions totaling \$1,275 were reported as received from Future 42 for the cost of emails and social media posts supporting I-2117. An additional monetary expenditure totaling \$30,275 was reported as paid to The Mead Smith Group for fundraising events and related costs.

III. Scope

- 3.1 PDC Staff reviewed the following:

- Three complaints filed by Abby Lawlor on behalf of clients: SEIU 775, Civic Ventures, Washington Conservation Action, and Planned Parenthood Alliance Advocates concerning activities and reporting of Let's Go Washington (Sponsored by Brian Heywood).

- Results of queries of the PDC contribution and expenditure databases for Let's Go Washington (Sponsored by Brian Heywood) Committee for 2022 and 2023.
- Initial and amended C-3 and C-4 reports filed by the Let's Go Washington (Sponsored by Brian Heywood) Committee.

3.2 During the investigation, PDC Staff sent or exchanged numerous emails with the Committee, Mr. Brady, and Mr. Edwards, and some of the email correspondence included the following:

- **July 27, 2023:** The complaint and exhibits are sent by email to the Committee and Mr. Edwards as Treasurer was cc'd.
- **August 2, 2023:** The committee replies to the email and provides the initial response to the complaint. (PDC Staff confirms receipt of the response as requested by Mr. Edwards.
- **August 7, 2023:** The Committee and Mr. Edwards requests PDC Staff meet with the Committee team (Mr. Edwards, Sharon Hanek, Kelly Palmer, and Brian Heywood) via Zoom/Teams in the next week "to discuss this case and reporting issues going forward."
- **August 8-9, 2023:** PDC Staff and the Committee exchange emails, and Mr. Edwards proposes and states "this situation is rather complex, I'm going to try to work with our group to put together a written summary of the intended organizational structure here moving forward and send it to you at least a few days in advance of the meeting so that we can all be on the same page with how the PDC wants everything reported."
- **August 24, 2023:** PDC Staff receives an email from Ms. Lawlor with an attached letter received "on behalf of Heather Weiner responding to Let's Go Washington's reply to our complaint."
- **August 24, 2023:** PDC Staff sends an email to the Committee following up a sending the proposed written summary from them and informing Mr. Edwards that Ms. Lawlor had submitted a response in rebuttal to the Committees initial response.
- **August 28, 2023:** The Committee and Mr. Edwards respond stating that the Committee has hired legal counsel to advise them on this matter, so a meeting is not necessary.
- **August 31, 2023:** The Committee and Mr. Edwards respond stating that Dan Brady has been hired as legal counsel.
- **September 11, 2023:** PDC Staff sends an email to the Committee, Mr. Brady, and Mr. Edwards about conducting a telephone call on September 12 or 13, 2023, to discuss this matter.

- **September 13, 2023:** PDC Staff has a telephone conference call with Mr. Brady, discussing the complaint and during the call, staff requests that the Committee file amended C-4 reports disclosing the amount of each in-kind contribution from Mr. Heywood attributable to each initiative.
- **September 19-22, 2023:** PDC Staff exchanges emails with Mr. Brady concerning setting up a follow-up telephone call to discuss staff's request that the Committee file amended C-4 reports. Mr. Brady stated in a September 20, 2023, email that the Committee will be "supporting all the measures, and that Taxpayers Accountability Alliance and Safer Streets for All (both sponsored by Brian Heywood) will be closed within a few days", and that his "understanding was those other two committees did little or no work for the measures, but that will be clarified as well."
- **September 27, 2023:** PDC Staff has a telephone conference call with Mr. Brady in which we discussed the complainant's rebuttal to the Committee's initial response, and the need for the Committee to file amended C-4 reports disclosing the amount of each in-kind contribution from Mr. Heywood attributable to each initiative.
- **October 3, 2023:** PDC Staff sends an email to the Mr. Brady as a follow-up to the telephone call concerning the Committee filing amended C-4 reports disclosing the amounts attributable to each of the initiatives for the in-kind contributions received from Brian Heywood. The email indicated that staff expects the Committee to amend the C-4 reports to provide additional information for the following activities: printing of petitions; signature gathering efforts; political advertising in support of the initiative efforts; consulting, outreach, and distribution services; ballot modeling and model targeting; surveys; and other similar services for non-Committee overhead related activities. In addition, staff added that his response to the supplemental complaint, if one is provided, was due no later than October 10, 2023.
- **October 4, 2023:** PDC Staff sends an email to the Mr. Brady informing him that an Initial Hearing had been scheduled for October 11, 2023, at 11:00 am, and attaching PDF copies of the Initial Hearing Notice and PDC Enforcement Guide.
- **October 10, 2023:** PDC Staff receives the Committee's response to the supplemental complaint filed by Ms. Lawlor attached to an email sent by Mr. Edwards, and he adds, "I will follow up with my questions in a separate e-mail."
- **October 10, 2023:** In response to PDC Staff's October 3 email to Mr. Brady, Mr. Edwards submits 12 questions in an email addressed to staff, all concerning filing the Committee's amended C-4 reports to bring the reports into compliance.
- **October 11, 2023:** An Initial Hearing was conducted on October 11, 2023, remotely via Teams, in which both Mr. Brady and Mr. Edwards participated, and staff attached the Brief Hearing Results to an email.

- **October 26, 2023 – November 15, 2023**, PDC Staff exchanged several additional rounds of correspondence with the Committee (Mr. Edwards and Mr. Brady) concerning staff's requests for documentation.
- **November 28, 2023**: Mr. Brady notifies PDC Staff that Mr. Edwards has resigned, and that the Committee has retained a new treasurer, Jason Michaud. Mr. Brady said that the Committee intends to amend its reports to address staff's concerns.
- **January 9, 2024 – February 13, 2024**: The Committee makes amendments of C-4 reports for the periods of March 2022 to December 2023.
- **April 18, 2024**: After reviewing the information provided in the amended reports, PDC staff sends questions and requests for documentation regarding the Committee's contributions and expenditures. (**Exhibit 17**)
- **May 2, 2024**: Mr. Brady responded to PDC Staff's email.
- **May 16, 2024**: PDC Staff requested the Committee's books of account.
- **May 2024 to July 2024**: PDC Staff made additional requests for information, and the Committee provided some information in response.
- **July 17, 2024**: The PDC received a request from the Complainants to refer the case to the Attorney General for investigation, which prompted the July 25, 2024, report to the Commission.
- **July 25, 2024**: Executive Summary and Report given to Commission.
- **July 26, 2024**: PDC Staff issued a Subpoena Duces Tecum for the Committee's records.
- **August 2, 2024**: Volume 1 of records received.
- **August 9, 2024**: Volume 2 of records received.
- **August 12, 2024**: Replacement for portion of Volume 1 records received.

Respectfully submitted this 9th day of September 2024,
Electronically Signed Phil Stutzman, Compliance Officer
Kurt Young, Compliance Officer (Retired) provide the early investigative work for this case.

Exhibits

Exhibit 1 Complaint 1, filed July 19, 2023

Exhibit 2 Response to Complaint 1, Received August 2, 2023

- Exhibit 3** Reply to Response to Complaint 1, Received August 24, 2023
- Exhibit 4** Response to 8/24/23 Letter, Received October 10, 2023
- Exhibit 5** Complaint 2, filed October 17, 2023
- Exhibit 6** Response to Complaint 2, Received November 2, 2023
- Exhibit 7** Complaint 3, filed August 15, 2024
- Exhibit 8** Response to Complaint 3, Received August 26, 2024
- Exhibit 9** Your Choice Petitions Professional Services Agreement
- Exhibit 10** Edwards Email, October 10, 2023
- Exhibit 11** Young Email, October 26, 2023
- Exhibit 12** Edwards Email, November 6, 2023
- Exhibit 13** Bradford Email, November 15, 2023
- Exhibit 14** Allstate Petition Management Professional Services Agreement
- Exhibit 15** Allstate Petition Management Refusal to Provide SubVendor Information
- Exhibit 16** Collective Voice Solutions Professional Services Agreement
- Exhibit 17** Young Email, April 18, 2024

Applicable Statutes, Rules, and Interpretations

RCW 42.17A.235 requires all political and ballot measure committees under the Full Reporting option to timely file Summary Full Campaign Contributions and Expenditure reports (C-4 reports), and Monetary Contributions reports (C-3 reports).

RCW 42.17A.240 requires political and ballot measure committees to disclose: “(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each Certified on 9/1/2023 RCW 42.17A.240 Page 1 person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument; (4) All other contributions not otherwise listed or exempted.”

RCW 42.17A. 225 requires, in part: “(5) The treasurer shall maintain books of account, current within five business days, that accurately reflect all contributions and expenditures”; and “(7) The treasurer shall 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.”

RCW 42.17A.005(22) defines “Expenditure” to include “a payment, contribution, subscription, distribution, *loan*, advance, deposit, or gift of money or anything of value, and *includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure*” (emphasis added). “Expenditure” “also includes 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, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made.”

WAC 390-16-207 concerns the reporting of in-kind contributions (1) An in-kind contribution must be reported on the C-4 report. An in-kind contribution, as that term is used in the act and these rules, occurs when a person provides goods, services or anything of value, other than money or its equivalent, to a candidate or political committee free-of-charge or for less than fair market value, unless the item or service given is not a contribution according to RCW 42.17A.005 or WAC 390-17-405. An in-kind contribution includes an expenditure that: *“Supports or opposes a candidate or a ballot measure.”* (Emphasis added.)

WAC 390-16-037 Defines the purpose of campaign expenditures and how to report, states in part: “(1) 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); (2) Whenever an expenditure is made to a candidate or a political committee pursuant to an agreement or understanding of any kind regarding how the recipient will use the expenditure, the report must describe in detail that agreement or understanding and the goods and/or services to be provided.*” (Emphasis added.)

WAC 390-16-205 states, in part:

“(1) 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.

“(2) If any person, agency, consultant, firm, organization, etc., employed or retained by the candidate or political committee, subcontracts or otherwise has an agreement with a subvendor or other third party to provide or perform services, the expenditures paid to that subvendor or other third party must also be disclosed.

“(3) Fees paid to consultants or other agents must be disclosed by candidates or political committees as an expenditure. In addition, when subvendors are used, the candidate or political committee must disclose any portion of the expenditure retained by the consultant or other agent.”

WAC 390-16-043(9), entitled “Candidates and political committees—Public inspection of books of account,” states: “The records required by this section must be available for audit or examination by the PDC at any time upon request from the PDC.”

WAC 390-16-043(6) dictates that such books of account “include the following: A ledger, spreadsheet, or similar listing of contributions, expenditures, loans, debts and obligations to substantiate the information disclosed on the PDC campaign finance reports. The books of account must include the underlying source documents such as receipts, invoices, copies of contribution checks, copies of canceled checks for expenditures, digital transactions, notes, or other documentation concerning expenditures, orders placed, and loans.”