



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908

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Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

October 8, 2018

Delivered electronically to Michael Munch

Subject: Michael Munch Complaint return letter; PDC Case 27648

Mr. Munch:

Below is a copy of an electronic letter sent to Walter Smith concerning the complaint he filed with the Public Disclosure Commission (PDC) against you. As noted in the letter to Mr. Smith, no evidence found that the independent expenditure advertisements displayed by the Association on its own electronic reader board were coordinated or collaborated with you, or any of the candidates featured.

Based on this information, no in-kind contribution was received by your campaign and the PDC has dismissed the allegation in accordance with RCW 42.17A.755(1).

If you have questions, please contact PDC staff member Kurt Young by e-mail at kurt.young@pdcc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Kurt Young, Compliance Officer

/s _____
Sean Flynn, General Counsel
For Peter Lavalley, Executive Director



Public Disclosure Commission
Shining Light on Washington Politics Since 1972



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October 4, 2018

Sent electronically to Walter Smith

Subject: Complaints filed against the Tim Benn (PDC Case 27643); Jonathon Collier (PDC Case 27644); Andrew Dunau (PDC Case 27645); Pamela Haley (PDC Case 27646); Lewis “Rod” Higgins (PDC Case 27647); and Michael Munch (PDC Case 27648)

Mr. Smith:

The Public Disclosure Commission (PDC) has completed its review of the six complaints you filed on behalf of your client, Karen Hardy, on November 16, 2017 against the following six candidates for local office in 2017: Tim Benn (PDC Case 27643); Jonathon Collier (PDC Case 27644); Andrew Dunau (PDC Case 27645); Pamela Haley (PDC Case 27646); Lewis “Rod” Higgins (PDC Case 27647); and Michael Munch (PDC Case 27648).

The complaints alleged that six candidates may have violated 42.17A.240 by failing to disclose receiving in-kind contributions from the Spokane Home Builders Association (Association) for political advertisements that appeared on the Association’s “jumbotronic-style” electronic reader board. In addition, the complaint alleged some of the candidates whose advertisements were featured on the reader board, exceeded the \$1,000 contribution limit per election in which the candidate’s name appears on the ballot, in violation of RCW 42.17A.405. For your information, in order to more efficiently use PDC resources, these six complaints have been combined into one letter.

PDC staff reviewed the allegations listed in the complaint you filed, the statutes, rules and reporting requirements, the Independent Expenditure reports (C-6 reports) filed by the Association, the responses from the six candidates, and the response from Joel White, Executive Officer for the Association. As a result of this review, we found the following:

- In October 2017, the Association displayed election related information on its electronic billboard in support of four 2017 City of Spokane Valley candidates, two 2017 City of Spokane candidates, two 2017 legislative candidates, and opposed Proposition No. 2, a 2017 City of Spokane ballot proposition concerning the regulation of coal and oil trains. The Association’s billboard advertisements were presented to the public between October 17 and 19, 2017.
- Mr. White stated in his response the Association has never charged any fees for the content placed on its reader board, and that the candidate and ballot proposition information “displayed on the electronic reader board was intended as a temporary expression” of the Associations endorsements of 2017 candidate and ballot proposition.

Walter Smith complaints filed against:

Tim Benn (PDC Case 27643); Jonathon Collier (PDC Case 27644); Andrew Dunau (PDC Case 27645); Pamela Haley (PDC Case 27646); Lewis “Rod” Higgins (PDC Case 27647); and Michael Munch (PDC Case 27648).

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- Mr. White stated that the Association was not aware of the C-6 reporting requirements at the time the advertisements were displayed. Five of the six candidates listed in your complaints provided a response, that included the following:
 - 1) Tim Benn stated that his campaign was “not responsible for what other entities do on or with their private property. We did not ask or pay for this sign to be displayed.”
 - 2) Jonathon Collier stated that at no time did his campaign “solicit for any advertising from the Spokane Home Builders Association, and therefore never received any receipt of any in kind donation”
 - 3) Charlotte Benjamin, Treasurer for Pamela Haley stated the campaigns interactions with the Association was limited to the candidate interviews and ultimate endorsement, the receipt of a \$250 contribution on October 13, 2017, and the Associations Government Affairs Officer volunteering to doorbell with the candidate.
 - 4) Lewis “Rod” Higgins stated that he “had no prior knowledge that the sign posting was occurring, nor did I participate in their decision to post. He stated that “if indeed there is a value to be assigned, I have no idea what it would be or how to calculate it.”
 - 5) Andy Dunau stated his Campaign “did not coordinate with the Spokane Home Builders Association (SHBA) regarding the digital display referenced. As such, there is no in-kind contribution to report.”
- Since the advertisements displayed on the Associations electronic reader board were not coordinated with the candidates in accordance with WAC 390-05-210, the advertisements were determined to be independent expenditures reportable in accordance with RCW 42.17A.255. The statute requires any independent expenditure of \$100 or more to be disclosed on a C-6 report within five business days of the first advertisement being presented to the public.
- The Association was required to file a C-6 report by October 24, 2017, disclosing the independent expenditure advertisements displayed on the electronic reader board, since the advertisements began running on October 17, 2017.
- On May 8, 2018, the Association filed C-6 reports 196 days after the advertisements were presented to the public and 182 days after the November 7, 2017 general election, disclosing that the Association made \$1,555 in total independent expenditures undertaken for the billboard advertisements. The C-6 reports disclosed the Association’s opposition to Proposition No. 2, and its support of the following candidates: (1) 2017 Spokane Valley City Council candidates Caleb Collier, Rod Higgins, Pam Haley, & Mike Munch; (2) 2017 Spokane City Council candidates Tim Benn & Andy Dunau; and (3) 2017 Legislative candidates Senator Shelly Short, and State Representative Jaquelin Maycumber.
- Mr. White stated that the Association’s fair market value of the advertisements was difficult to determine, since the Association does not charge for the content placed on its reader board, but they believed the amounts reported was a good faith estimate of the value.

Based on these findings, there was no evidence found that the independent expenditure advertisements displayed by the Association on its own electronic reader board were coordinated or collaborated with any of the candidates featured.

Walter Smith complaints filed against:

Tim Benn (PDC Case 27643); Jonathon Collier (PDC Case 27644); Andrew Dunau (PDC Case 27645); Pamela Haley (PDC Case 27646); Lewis “Rod” Higgins (PDC Case 27647); and Michael Munch (PDC Case 27648).

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Thus, no in-kind contributions were received by any of the candidates featured in the Associations advertisements, and there was no reporting requirement for any of the candidates. The PDC has dismissed the allegations against Tim Benn, Jonathon Collier, Andrew Dunau, Pamela Haley, Lewis “Rod” Higgins, and Michael Munch, in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Kurt Young at (360) 664-8854 or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by:

/s _____
Kurt Young
PDC Compliance Officer

/s _____
Sean Flynn, General Counsel
For Peter Lavalley, Executive Director

cc: Tim Benn, Jonathon Collier, Andrew Dunau, Pamela Haley, Lewis “Rod” Higgins, and Michael Munch

