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January 17, 2025

By email to pdc@pdc.wa.gov

Alice Fiman Public Disclosure Commission 105 Capital Way, Suite 206 Olympia, WA 98033

Re: <u>UNITE HERE TIP State and Local Fund Response to Complaint 164571</u>

Dear Ms. Fiman:

On behalf of UNITE HERE TIP State and Local Fund (the "Committee"), this responds to the above-referenced complaint filed with the Public Disclosure Commission (the "Commission") by Conner Edwards (the "Complainant") on November 15, 2024 (the "Complaint"). The Complaint alleges that the Committee was obligated to and failed to (1) file C4 reports for the period between 2022 and September 2023; (2) file 21- and 7-day pre-general C4 reports disclosing expenditures made in October of 2024; and (3) file C3 reports of contributions received during October 2024 prior to the date on which the C3 reports were actually filed. As further explained below, the Committee had no obligation to file any C4 reports other than that actually filed by the Committee, or to file C3 reports for October 2024 prior to the date on which those reports were filed. The Complaint further alleges as a "discrepancy" the difference in the cash balance between the Committee's September 2021 C4 report and the opening cash on hand disclosed in its October 2024 C4 report. However, as further described below, both totals were and are accurate, the difference between the two arising out of contributions and expenditures outside of Washington State that were not reported because the Committee was not subject to Washington State reporting obligation during the period between the two filed C4 reports. Thus, the Committee did not violate Washington law as alleged in the Complaint, and the Commission should dismiss the Complaint in full.

I. <u>Background</u>

The Committee is headquartered in New York State, and makes expenditures and contributions in state and local campaigns in a number of jurisdictions across the country, in

compliance with the laws of each such jurisdiction. The Committee registered as a Washington State Committee in 2019 because its expenditures in that year disqualified it from filing as an Out of State Committee, and it has retained that status since that time, as it is entitled to do. Once this matter is resolved, the Committee intends to revisit the determination of whether Out of State Committee status may be more appropriate to its activities.

II. The Committee was not obligated to file C4 reports for the period between 2022 and September 2024

Generally speaking, registered committees are required to file C4 reports on the tenth day of each month detailing expenditures made and contributions received for the preceding calendar month Wash. Rev. Code Ann. § 42.17A.225. However, the monthly report "need only be filed if either the total contributions received or total expenditures made since the last such report exceed two hundred dollars." *Id.* This threshold has been periodically adjusted and is currently set at \$750.00. Wash. Admin. Code 390-05-400. During the period between December 1, 2021 and September 30, 2024, the Committee did not receive contributions for the purpose of Washington State electoral activity or make reportable expenditures in connection with any Washington State election in excess of the relevant threshold for any calendar month. Therefore, it had no obligation to file the C4 report for any month within that period.

Because the Committee received contributions and made expenditures in connection with elections in jurisdictions outside of Washington State during the period between December 1, 2021 and September 30, 2024, the amount of cash on hand as of November 30, 2021 differed from the cash balance as of October 1, 2024, but none of the activity during that period triggered any obligation to file any report with the Commission.

III. The Committee was not obligated to file 21- and 7-day pre-general C4 reports

Activity outside of Washington State may also have resulted in the confusion on the part of the Complainant regarding the filing obligations of the Committee related to October 2024 contributions and expenditures reported by the Committee. While the Committee did report \$515,255.52 worth of expenditures, only one of those expenditures—an October 14, 2024 contribution of \$6,000 to the Washington State Democratic Party State Account—was made in connection with Washington State elections. The other expenditures were reported because it is the understanding of the Committee that once the obligation to file a Form C4 report is triggered, all contributions and expenditures made by the Committee must be reported, regardless of whether they are contributions or expenditures subject to Washington State law.

The Complaint alleges that the Committee was obligated to file 21- and 7-day pre-general C4 reports in October of 2024. However, those reports must be filed only "for each election in which a candidate, political committee, or incidental committee is participating." Wash. Rev. Code Ann. § 42.17A.235. "Participating" is defined in Washington law as follows:

"Participate" means that, with respect to a particular election, an entity:

- (a) Makes either a monetary or in-kind contribution to a candidate;
- (b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;
- (c) Endorses a candidate before contributions are made by a subsidiary

corporation or local unit with respect to that candidate or that candidate's opponent;

- (d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or
- (e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.

The Committee made a single contribution to a political party in Washington State. It did not make any contribution, independent expenditure, or electioneering communication with respect to the 2024 primary or general election in Washington State. Therefore, it was not "participating" in the 2024 election, and so was not obligated to file 21- and 7-day pre-general C4 reports in connection with that election.

IV. The Committee was not obligated to file weekly bank deposit reports for the 2024 General Election

Because the Committee was not participating in the 2024 general election, it is the understanding of the Committee that it was not subject to the requirement to file bank deposit reports on a weekly basis during the period beginning on the first day of the fifth month before the date of the general election. Therefore, it filed the C3 report in connection with the contribution received by the Committee on October 10, 2024 on the customary schedule for periods outside of the five month window prior to an election in which the Committee is participating.

In summary, the Committee did not violate Washington law as alleged in the Complaint, and the Commission should dismiss the Complaint in full. Please contact me at sgershon@tristerross.com or (202) 839-4484 if you require additional information.

Respectfully submitted,

/s/ Susan B. Gershon

Susan B. Gershon

cc: Zaina Tannu

Treasurer, UNITE HERE TIP State and Local Fund