

State of Washington PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 (360) 753-1111 • FAX (360) 753-1112

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

December 17, 2018

Delivered electronically to Dan Brady

Subject: Mainstream Republicans of Washington; PDC Case 40599

Mr. Brady:

Below is a copy of an electronic letter sent to Samantha Kersul, with the Washington Senate Democratic Campaign concerning the complaint she filed with the Public Disclosure Commission (PDC) against your client, the Mainstream Republicans of Washington.

Pursuant to WAC 390-37-060(1)(b), the Mainstream Republicans of Washington is hereby formally warned concerning their failure to include the party preference for Patty Kuderer on independent expenditure advertising undertaken in support of Rodney Tom in 2018. The formal written warning will include staff's expectation that the Mainstream Republicans of Washington will include the party preference for all candidates featured in independent expenditure advertising or political advertising in future years in accordance with PDC laws and rules. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

The PDC received a completed Statement of Understanding (SOU) that was signed by Lila Mowatt, on behalf of Mainstream Republicans of Washington, along with a \$925 civil penalty that was assessed in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule). The \$925 penalty resolves the allegations listed in the complaint for failing to timely file C-6 reports, and by completing the SOU, the Mainstream Republicans of Washington acknowledged violations of RCW 42.17A.260 for failing to timely file C-6 reports disclosing 2018 primary and general election independent expenditure activities.

Based on this information, the PDC has dismissed this matter 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@pdc.wa.gov.

Sincerely,	Endorsed by,
/s	/s
Kurt Young, Compliance Officer	Peter Lavallee, Executive Director





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December 17, 2018

Sent electronically to Samantha Kersul Washington Senate Democratic Campaign

Subject: Mainstream Republicans of Washington, PDC Case 40599

Ms. Kersul:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on September 13, 2018 against the Mainstream Republicans of Washington, a continuing political committee that has been registered and reporting with the PDC dating back to 1996.

The complaint alleged that the Mainstream Republicans of Washington may have violated: (1) RCW 42.17A.260 by failing to timely file Independent Expenditures report (C-6 report) disclosing independent expenditure advertising in support of 2018 candidates; and (2) RCW 42.17A.320 for failing to include the party preferences of Patty Kuderer, a Democratic incumbent State Senator in the 48th Legislative District and a candidate seeking re-election to that office in 2018, and Bill Hirt, Independent, on independent expenditure advertisements sponsored by the Committee.

PDC staff reviewed the allegations listed in the complaint you filed, the statutes, rules and reporting requirements, reviewed the C-6 reports filed by the Mainstream Republicans of Washington (Committee), and the responses to the complaint provided by Dan Brady, legal counsel for the Committee. Based on staff's review, we found the following:

- On January 28, 2018, the Committee filed a New Committee Registration (C-1pc report) as a Continuing Other Political Committee, selecting the Full Reporting Option and listing Mike Vaska as Chair, and Kyle Curtis as Committee Manager and Treasurer. The Committee has been registered and reporting with the PDC dating back to at least 1996.
- Concerning the allegation of failure to include the party preference, Mr. Brady stated the
 mailer indicated "that Bill Hirt filed as an independent candidate on both sides of the mailer
 which satisfies the statute regarding party preference disclosure. The PAC acknowledges the
 oversight of not disclosing Ms. Kuderer's party preference but notes that the vast majority of
 the content of the mailer is focused on Rodney Tom whose party preference was properly
 disclosed."

Staff reviewed the Monetary Contributions reports (C-3 reports), the Campaign Summary Full Campaign Contribution and Expenditure reports, and C-6 reports and found the following:

- The Committee disclosed \$384,133 in total contributions received and \$277,509 in expenditures made during 2018 as of October 29, 2018, based on the 7-Day Pre-General Election C-4 report filed on November 2, 2018.
- The Committee filed a total of 92 C-6 reports during 2018, that included 23 initially filed C-6 reports and 69 amended C-6 reports disclosing \$234,615 for independent expenditure (IE) advertisements during the 2018 election.
- Staff's review determined that the Committee failed to timely file the following C-6 reports:
 - 1. On September 18, 2018, the Committee filed a C-6 report disclosing an IE mailer was presented to the public on July 31, 2018, totaling \$7,062 that was made within 21-days of the 2018 primary in support of Rodney Tom, a candidate for State Senator in the 48th Legislative District. The Committee was required to file a C-6 report within 24 hours of presenting the mailer to the public or not later than August 1, 2018. The Committee filed the C-6 report 48 days late and 41 days after the August 7, 2018 primary was held.
 - 2. On September 18, 2018, the Committee filed a C-6 report disclosing an IE mailer was presented to the public on August 2, 2018, totaling \$8,500 that was made within 21-days of the 2018 primary in support of Rodney Tom. The Committee was required to file a C-6 report within 24 hours of presenting the mailer to the public or not later than August 3, 2018. The Committee filed the C-6 report 45 days late and 41 days after the August 7, 2018 primary was held.
 - 3. No November 2, 2018, the Committee filed five C-6 reports disclosing IE activities totaling \$90,400 for cable TV and digital media buys made within 21-days of the 2018 general election in support of (1) Kelly Chambers, State Representative candidate in the 25th Legislative District; (2) David Hayes, State Representative candidate in the 10th Legislative District; (3) Chad Magendanz, State Representative candidate in the 5th Legislative District; Mark Miloscia, (4) State Senator candidate in the 30th Legislative District; and (5) James Walsh, State Representative candidate in the 19th Legislative District.

The IE cable TV and digital media buys undertaken by the Committee were all presented to the public on October 27, 2018 (a Saturday), and the Committee was required to file a C-6 report within 24 hours of presenting the mailer to the public or not later than Monday, October 29, 2018. The five C-6 reports were filed by the Committee on November 2, 2018, four days late and four days prior to the November 6, 2018 general election being held.

Pursuant to WAC 390-37-060(1)(b), the Mainstream Republicans of Washington will receive a formal written warning concerning their failure to include the party preference for candidate featured in an independent expenditure advertisement undertaken during the 2018 election. The formal written warning will include staff's expectation that the Mainstream Republicans of Washington will include the party preference for all candidates featured in independent expenditure advertising or political advertising in future years in accordance with PDC laws and rules. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

The PDC received a completed Statement of Understanding (SOU) that was signed by Lila Mowatt, on behalf of Mainstream Republicans of Washington, along with a \$925 civil penalty that was assessed in this matter in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule). The \$925 penalty resolves the allegations listed in your complaint for failing to timely file C-6 reports, and by completing the SOU, the Mainstream Republicans of

Washington acknowledged violations of RCW 42.17A.260 for failing to timely file C-6 reports disclosing 2018 primary and general election independent expenditure activities.

Based on this information, PDC staff is dismissing this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,	Endorsed by:
s/	s/
Kurt Young, Compliance Officer	Peter Lavallee, Executive Director

cc: Dan Brady

