



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: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

April 8, 2020

Delivered electronically to Dmitri Iglitzin legal counsel for Amalgamated Transit Union
Legislative Council of Washington State

Subject: Complaint regarding the Amalgamated Transit Union Legislative Council of
Washington State, PDC Case 43940

Dear Mr. Iglitzin:

Below is a copy of an electronic letter sent to Maxford Nelson with the Freedom Foundation, concerning a complaint he filed with the Public Disclosure Commission (PDC) against your client, Amalgamated Transit Union Legislative Council of Washington State (ATULC).

On April 2, 2020, ATULC completed a Statement of Understanding (SOU) and paid a \$150 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging a violation of RCW 42.17A.630 for failing to timely file the Annual Report of Lobbyist Employers (L-3 reports) for calendar year 2016. The \$150 penalty resolves the issue of the late filed L-3 report for 2016 that was raised during staff's investigation.

As noted below in the electronic letter sent to Mr. Nelson, the PDC will not be conducting a more formal investigation into the allegations listed in the complaint or taking further enforcement action in this matter. I have also attached an electronic copy of staff's Report of Investigation concerning this matter.

The PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). Thank you for your cooperation in resolving this matter. If you have questions, you may contact Kurt Young at (360) 664-8854, toll-free at 1-877-601- 2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Electronically Signed, Kurt Young
Compliance Officer

/s _____
Electronically Signed BG Sandahl, Deputy Director
for Peter Lavalley, Executive Director



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April 8, 2020

Delivered electronically to Maxford Nelson with the Freedom Foundation

Subject: Complaint regarding the Amalgamated Transit Union Legislative Council of Washington State, PDC Case 43940

Dear Mr. Nelson:

The Public Disclosure Commission (PDC) has completed its investigation of the complaint you filed against the Amalgamated Transit Union Legislative Council of Washington State (ATULC). The complaint alleged that the ATULC may have violated RCW 42.17A.205 by failing to register as a political committee by completing a Committee Registration (C-1pc report), and RCW 42.17A.235 and .240 by failing to timely file Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities undertaken during calendar years 2014 through 2018.

PDC staff reviewed the allegations listed in the complaint you filed, the statutes, rules and reporting requirements, queried the PDC contribution and expenditure database for ATULC activities, reviewed the Annual Report of Lobbyist Employers (L-3 reports) and the Monthly Lobbyist Employer Contributions report (L-3c reports) filed by the ATULC, and the response and attached exhibits to the complaint provided by Dmitri Iglitzin, an attorney on behalf of Schwerin Campbell Barnard Iglitzin & Lavitt LLP on behalf of ATULC.

- ATULC has been registered with the PDC as a Lobbyist Employer dating back to at least 1996, filing L-3 and L-3c reports disclosing expenditures made to hire a contract lobbyist to lobby, and contributions made to candidates and political committees.
- The Commission had adopted **PDC Interpretation 07-02, Primary Purpose Test Guidelines**, which distills relevant case law and other legal guidance (AGO 1973 no. 14, *State v. Dan Evans Committee*, and *Evergreen Freedom Foundation v. Washington Education Association*) concerning the definition of “political committee” in RCW 42.17.020(39). As discussed in the Interpretation, a person is a political committee if that person becomes a “receiver of contributions” to support or oppose candidates or ballot propositions, or if expenditures to support or oppose candidates or ballot propositions become one of the person’s primary purposes.
- Mr. Iglitzin stated the ATULC “*devotes its efforts to functioning as a forum for Washington State ATU locals and providing educational training for those locals and their members, as well as to support substantial lobbying efforts at ATULC’s expense.*”

- Mr. Iglitzin acknowledged ATULC made expenditures in support of candidates or election initiatives during the period covered in the complaint, however *“electoral political activity is not one of ATULC’s primary purposes.”* He stated that ATULC’s goals and *“its actions to further those goals, the impact of a favorable election on those goals, and the means which ATULC uses to achieve those goals all establish that the organization does not qualify as a political committee under the expenditures prong.”*
- Mr. Iglitzin stated that ATULC’s own website explains that its purposes are to: (1) *“Protect the rights of the members of the Amalgamated Transit Union at the level of political activity that can be generated by the combined efforts of this Legislative Council composed of the Local unions embodied within the State of Washington; (2) Promote and support new legislation before the government bodies of our State by lobbying effectively with the elected officials who have the authority and responsibility of representing the citizens of Washington State; (3) Cooperate with our Local Unions, and to form a stronger political bond of cohesion with the Washington State Labor Council, and other Labor Councils in the cities where our transit Locals are centered; and (4) Encourage our memberships to be politically alert on matters that affect their livelihood and create a more favorable public sentiment towards the Transportation Industry.”*
- Mr. Iglitzin stated ATULC does not receive dues payments from individual union members, but receives lump sum transfers from local transit unions, and does not qualify as a political committee under the “receiver of contributions.” In addition, he stated ATULC does not qualify as a political committee under the “maker of expenditures” found in RCW 42.17A.005(41) which *“not only have made or expected to make expenditures in support of a candidate or election initiative, it must also have had as one of its primary purposes supporting election candidates or initiatives.”* He provided information in response to staffs request concerning ATULC expenditure activities for calendar years 2014, 2016, and 2018 and staff reviewed filing information covering 2014-2018, that included the following:

2014 calendar year: Mr. Iglitzin stated ATULC made \$80,507 in total expenditures that included \$18,745 in monetary contributions made to 2014 candidates for public office. He stated that the percentage of expenditures for contributions made to total contributions represented 23%.

2015 calendar year: Staff’s review found that ATULC filed two L-3c reports disclosing five monetary contributions totaling \$3,900 were made to two 2015 candidates for public office, one caucus political committee, one legislative district party committee, and one caucus related political committee.

2016 calendar year: Mr. Iglitzin stated ATULC made \$101,443 in total expenditures that included \$35,451 in monetary contributions made to 2016 candidates for public office. He stated that ATULC’s percentage of expenditures for contributions made to total contributions represented 35% for calendar year 2016.

Staff’s review of the L-3 report filed by the ATULC disclosed that Johnson Arledge Strategies, a contract lobbying firm, received a total of \$25,200 in compensation to lobby during calendar year 2016. The L-3 report for 2016 was required to have been filed the last day of February 2017 and was filed almost one year late on January 31, 2018.

In addition, staff’s review found the L-3c reports filed by ATULC for calendar year 2016 were timely filed disclosing 41 monetary contributions totaling \$34,500 except for one contribution disclosed one day late.

2017 calendar year: Staff's review found that ATULC filed two L-3c reports disclosing six monetary contributions totaling \$3,250 that were made to 2017 candidates for public office.

2018 calendar year: Mr. Iglitzin stated ATULC made \$104,227 in total expenditures that included \$31,367 in monetary contributions made to 2018 candidates for public office. He stated that ATULC's percentage of expenditures for contributions made to total contributions represented 30% in calendar year 2018.

Staff's review of the L-3 report filed by the ATULC disclosed that the Arledge Group, a contract lobbying firm, received a total of \$33,096 in compensation to lobby during calendar year 2018. The L-3 report for 2018 was required to have been filed the last day of February 2019 and was timely filed on February 28, 2019.

- Mr. Iglitzin stated that ATULC devotes its efforts, time and resources in three main areas that includes supporting "*substantial lobbying efforts at ATULC's expense*" at the state level; providing educational training for Amalgamated Transit Union (ATU) locals and their members; and providing a forum for information to ATU locals and their members. He stated one of ATULC purposes is to support legislation through lobbying efforts and added "*while ATULC participates in elections by making contributions that support candidates, or that support or oppose ballot measures, it is not one of ATULC's primary purposes.*"
- Mr. Iglitzin stated that an analysis of ATULC's average spending indicated that only 22.6% of its expenditures over the past five years has been dedicated to electoral political activity, but by contrast, ATULC spent just shy of that – 22.3% of its expenditures over five years – on office and administrative expenses alone. He added that ATULC spent roughly the same amount of money supporting (or opposing) candidates and ballot initiatives for 2014 through 2018 as it spent on overhead, which does not indicate it's one of ATULC's primary purposes.

ATULC is a Lobbyist Employer registered and reporting with the PDC and one of its primary purposes is to support legislation through lobbying efforts, to which ATULC devotes significant resources and time on. ATULC also spends resources for ATU local members and membership services, transportation and transit issues, and overhead, and ATULC's stated goals and mission extend beyond making contributions to candidates for public office and political committees.

PDC staff found no evidence of a material violation that would require conducting a more formal investigation into your complaint or pursuing enforcement action in this instance concerning ATULC being a political committee. Based on our review of the facts, the majority of ATULC activities do not involve making contributions to candidates for public office, and do not appear to involve electoral political activity at all. ATULC's percentage of expenditures for monetary contributions to candidates and political committees was 35% in 2016, and 30% in 2018, respectively, however staff noted that 33 of the 41 contributions made in 2016, were made on two dates, June 3, 2016 (21 contributions), and September 16, 2016 (11 contributions).

Staff noted that more than 80% of the ATULC contributions made to candidates for public office in 2016, were made over the course of two days, whereas its lobbying and membership outreach and services were pretty much ongoing throughout the calendar year. Although the ATULC made expenditures in support of candidates, the totality of the evidence does not suggest that ATULC is a political committee, because the making of those expenditures was not its primary purpose, or even one of its primary purposes.

On April 2, 2020, ATULC completed a Statement of Understanding (SOU) and paid a \$150 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging a violation of RCW 42.17A.630 for failing to timely file the Annual Report of Lobbyist Employers (L-3 reports) for calendar year 2016.

The \$150 penalty assessed in this matter resolves the issue of the late filed L-3 report for 2016.

Based on this information, PDC staff is dismissing this matter against the Amalgamated Transit Union Legislative Council of Washington State 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 _____
Electronically Signed, Kurt Young
Compliance Officer

/s _____
Electronically Signed BG Sandahl, Deputy Director
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cc: Dmitri Iglitzin, on behalf of the ATULC

