



**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

May 15, 2019

Delivered electronically to Dmitri Iglitzin on behalf of Washington State Labor Council AFL-CIO PPP Committee (WSLC AFL-CIO PPP) at “iglitzin@workerlaw.com”

Subject: Complaint filed by Maxford Nelsen for The Freedom Foundation, PDC Case 47219

Dear Mr. Iglitzin:

Below is a copy of an electronic letter sent to Maxford Nelsen on behalf of The Freedom Foundation concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Mr. Nelson, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

PDC staff is reminding Washington State Labor Council AFL-CIO PPP Committee (WSLC AFL-CIO PPP) about the importance of the timely disclosure of all contribution and expenditure activities, specifically those occurring during the accelerated reporting schedule prior to and after any election in which WSLC AFL-CIO PPP is participating. PDC staff expects in the future that WSLC AFL-CIO PPP will file timely and accurate reports of its campaign activities in future years in accordance with PDC laws and rules.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by email at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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May 15, 2019

Delivered electronically to Maxford Nelsen at “mnelsen@freedomfoundation.com”

Subject: Complaint regarding Wa St Labor Council PPP Committee, PDC Case 47219

Dear Mr. Nelsen:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on February 14, 2019. Your complaint alleged that Washington State Labor Council AFL-CIO PPP Committee (WSLC AFL-CIO PPP), a Continuing Political Committee may have violated: (1) RCW 42.17A.235 and 42.17A.240 for failure to timely and accurately file Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing campaign activities and for failure to disclose contributions from individuals identified as “President’s Club” members for calendar years 2014, 2015, 2016 and 2017; and (2) RCW 42.17A.435 for failure to accurately disclose the true source of contributions from “President’s Club” members on C-3 reports.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response provided by Dmitri Iglitzin, on behalf of his client WSLC AFL-CIO PPP; and the applicable PDC reports filed by Respondent, to determine whether the record supports a finding of one or more violations.

Based on staff’s review, we found the following:

- Washington State Labor Council AFL-CIO PPP Committee (WSLC AFL-CIO PPP), was registered as a Continuing Political Committee under the “Full Reporting” option, for calendar years 2014, 2015, 2016 and 2017.
- WSLC AFL-CIO PPP participated in the 2014, 2015, 2016 and 2017 primary and general elections and was required to disclose campaign activity on a monthly basis if more than \$200 was received or expended since the last C-4 report was filed and was required to file the following C-4 reports:
 - A 21-day and a 7-day Pre-Primary Election C-4 report.
 - A Post-Primary Election C-4 report.
 - A 21-day and a 7-day Pre-General Election C-4 report.
 - A Post-General Election C-4 report.

Allegation One: Violation of RCW 42.17A.235 and RCW 42.17A.235 for failure to timely and accurately file C-3 and C-4 reports disclosing campaign activities and for failure to disclose contributions from individuals identified as “President’s Club Members” for calendar years 2014, 2015, 2016 and 2017.

- WSLC AFL-CIO PPP's "President's Club" is described on its website and in other publications as "an organization established to raise political action funds and promote labor's political action program" and "...a group of labor leaders and activists who have made a \$150 donation to a special political fund to help elect candidates and pass ballot initiatives that benefit working families in Washington..."
- The complaint alleged that according to the membership criteria described by WSLC AFL-CIO PPP, "President's Club" members donate \$150 per year and that committee had failed to file accurate C-3 reports for calendar years 2014, 2015, 2016 and 2017 by not identifying each member of the "President's Club" listed on WSLC AFL-CIO PPP's website and other publications as a donor to the committee for each year of membership.
- In his response, Mr. Iglitzin, stated that this allegation is not true and is based on the fallacious premise that every member of the "President's Club" actually pays \$150 each year to obtain or maintain membership status and that receipt of \$150 is not and has never been an absolute prerequisite to "President's Club" status. In addition, he stated that to its knowledge, WSLC AFL-CIO PPP has never failed to report donations made by a "President's Club" member.
- The complaint also alleged that WSLC AFL-CIO PPP has reported more in expenditures made than contributions received, unless certain contributions have not been disclosed.
- Staff's review of the monetary contributions and expenditures for calendar years 2014, 2015, 2016 and 2017 found that with the inclusion of the starting cash balance disclosed on Line 1 of WSLC AFL-CIO PPP's C-4 reports covering the month of January for each calendar year, the committee had not spent more than it received with one exception. WSLC AFL-CIO PPP's C-4 reports for calendar year 2016 disclosed a negative "cash on hand" balance.
- In his response, Mr. Iglitzin stated that WSLC AFL-CIO PPP had reviewed its books and confirmed that, to the best of its belief, that contributions and expenditures were properly reported. In addition, he stated that any errors in bookkeeping must have happened prior to 2014, and that WSLC AFL-CIO PPP has not failed to report contributions and the C-4 reports have been accurate.

Allegation Two: Violation of RCW 42.17A.435 for failure to accurately disclose the true source of contributions from "President's Club Members" on C-3 reports.

- The complaint included allegations of RCW 42.17A.435 which appear to be directly connected to WSLC AFL-CIO PPP's failure to disclose at least \$150 from every "President's Club" member listed on the committee website or other publications and the allegation that WSLC AFL-CIO PPP's expenditures exceeded its receipts.
- Staff's review found no evidence that WSLC AFL-CIO PPP failed to disclose the true source of contributions made to the committee.

Although staff's review of the C-3 and C-4 reports filed by WSLC AFL-CIO PPP for calendar years 2014, 2015, 2016 and 2017, and the committee's response did not warrant further investigation, staff's general review of the committee's campaign activity reports did find instances during 2014, 2015, 2016 and 2017 of late reporting and reports requiring amendments in order to accurately disclose receipts and expenditures.

Based on these findings staff has determined that, in this instance, failure to timely and accurately disclose WSLC AFL-CIO PPP's campaign activity for calendar years 2014, 2015, 2016 and 2017 does not amount to an actual violation warranting further investigation or enforcement action.

PDC staff is reminding WSLC AFL-CIO PPP about the importance of the timely disclosure of all contribution and expenditure activities, specifically those occurring during the accelerated reporting schedule prior to and after any election in which WSLC AFL-CIO PPP is participating, and the timely filings of all future PDC reports in accordance with the statutes and rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director

cc: Dmitri Iglitzin, Attorney for Wa St Labor Council PPP Committee