



State of Washington

PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH
RCW 42.17A

Unite Here Local 8 PAC

Respondent.

PDC Case 55345

Report of Investigation

I.

Background, Complaint and Allegations

- 1.1 On September 10, 2015, Unite Here Local 8 PAC filed a Registration as a continuing political committee selecting the Full Reporting Option and listing Stefan Moritz as Committee Manager and Deputy Treasurer, and Cindy Richardson as Treasurer.
- 1.2 On July 23, 2019, Tallman Trask filed a complaint with the PDC alleging that Unite Here Local 8 PAC, a continuing political committee, may have violated: (1) RCW 42.17A.320 by failing to include the required sponsor identification on “the video portion” of a political advertisement that appeared on Facebook; (2) RCW 42.17A.235 by failing to disclose receiving an in-kind contribution on the Summary Full Campaign Contributions and Expenditures Report (C-4 report) for the national Unite Here organization for a Facebook advertising purchase; and (3) RCW 42.17A.250 by the national Unite Here organization for failing to file as an out-of-state political committee making independent expenditures.
- 1.3 On October 4, 2019, Unite Here TIP State and Local Fund out of New York City filed a Registration as a continuing political committee selecting the Full Reporting Option and listing Timothy Barnes as Treasurer, and Zaina Tannu as Deputy Treasurer. The Registration indicated that Unite Here TIP State and Local Fund was “Sponsored by Unite Here International Union” for the 2019 general election.
- 1.4 On October 14, 2019, PDC staff conducted an Initial Hearing (Case Review Status) for this matter concerning Unite Here Local 8 PAC and opened a formal investigation into your complaint.

II.

Findings

- 2.1 As a continuing political committee under the Full Reporting option participating in the 2019 election cycle, United Here Local 8 PAC (Committee) was required to file monthly C-4 reports by the 10th of each month disclosing contribution and expenditure activities incurred in the previous calendar month.
- 2.2 Beginning June 1, 2019, the Committee was required to file 21-day and 7-day Pre-Primary and General Election C-4 reports, and a Post Primary and General Election C-4 report.
- 2.3 PDC staff reviewed the Monetary Contributions Reports (C-3 reports) and C-4 reports filed by the Committee for the 2019 election. Staff's review found the Committee timely filed the 21-Day and 7-Day Pre-Primary and General Election C-4 reports, and the Post-Primary and General Election C-4 reports on or prior to the required due date.

UNITE HERE Local 8: failure to timely disclose the breakdown for expenditures made for political advertising, including the sub-vendor descriptions

- 2.4 On July 16, 2019, the Committee timely filed the 21-Day Pre-Primary Election C-4 report disclosing \$150,588.55 in monetary contributions received, and \$150,000 in expenditures made. The C-4 report disclosed one expenditure totaling \$150,000 that was made to Print Logistics from Sacramento, CA. to design, produce and broadcast independent expenditures in support of Andrew Lewis, a 2019 candidate for Seattle City Council, Position 7, without providing any additional expenditure details.
- 2.5 Staff's review found the Committee failed to timely provide the required expenditure description on the 21-Day Pre-Primary Election C-4 report for the independent expenditure activities Unite Here Local 8 timely disclosed on the C-6 reports as noted below.
- 2.6 On September 18, 2019, the Committee filed an amended 21-Day Pre-Primary Election C-4 report listing the same \$150,588.55 in monetary contributions received and \$150,000 in expenditures made, but the amended information listed seven independent expenditures made to Print Logistics (PL), all on July 11, 2019. A \$12,330 expenditure was made to PL for the design and production work on the broadcast advertisements, and the six additional expenditures disclosed the following sub-vendor information:
 - Comcast Spotlight: A \$108,610 independent expenditure was made for a primary election Cable TV ad buy in support of Andrew Lewis that aired 7/16 to 8/6/2019.
 - Facebook: A \$4,077 independent expenditure was made for Facebook Video Ads in support of Andrew Lewis that appeared 7/12 through 7/19/2019.
 - KIRO-CBS: A \$16,000 independent expenditure was made for a primary election TV ad buy in support of Andrew Lewis that aired 7/21 to 7/28/2019.
 - Alphabet Google: A \$5,483 independent expenditure was made for Google Video Ads in support of Andrew Lewis that aired 7/15 through 8/6/2019.

- Seattle Times: A \$2,780 independent expenditure was made for Online Banner Ads that ran in support of Andrew Lewis during 7/15 through 8/6/2019.
 - The Stranger: A \$720 independent expenditure was made for Online Banner Ads that ran in support of Andrew Lewis during 7/15 through 8/6/2019.
- 2.7 Ms. Ewan stated that Unite Here Local 8 contracted with PL, as the primary committee vendor and that PL provided the ad design and production work, placed the broadcast of the advertisements for the 2019 election cycle, including the ad listed as part of the complaint. She noted that PL “inelegantly selected this Facebook handle as a location in which to post the ads” and that Unite Here Local8 was “the sole source of this page, which was set up specifically for this particular campaign with funds coming solely from the Committee.”
- 2.8 Ms. Ewan stated the 21-Day Pre-Primary C-4 report (Report #100917428) disclosed expenditure details “for the design, production, and broadcast of the ad—an expenditure made entirely by UNITE HERE! Local 8 PAC, not by the International or anyone else.” However, as staff noted above the C-4 report only disclosed one expenditure totaling \$150,000 that was made to PL, and that expenditure was not broken out as required until the amended C-4 report was filed on September 18, 2019.
- 2.9 The amended independent expenditure information filed by the Committee for the advertisements made in support of Andrew Lewis for City Council were disclosed 64 days late, and 43 days after the August 6, 2019 primary election was held.

UNITE HERE Local 8: 2019 Contributions Received and Committee Sponsorship Identification in the Committee name

- 2.10 RCW 42.17A.005(47)(b) states that ““Sponsor,” for purposes of a political or incidental committee, means any person, except an authorized committee, to whom any of the following applies: (i) The committee receives eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders; (ii) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.”
- 2.11 For calendar year 2019, United Here Local 8 PAC disclosed receiving \$460,123 in total contributions from Unite Here TIP State & Local Fund out of New York, \$60,000 from Unite Here Local 8, and \$920.05 in Miscellaneous receipts. The 2019 contribution and expenditure chronology for the Committee, included the following activities broken down by the 2019 Primary/General Election periods:
- January 1 to July 8, 2019: No contribution or expenditure activity for the Committee.
 - July 9, 2019: A \$150,000 monetary contribution is received from Unite Here TIP State & Local Fund out of New York.
 - July 11, 2019: The Committee makes a \$150,000 independent expenditure in support of Andrew Lewis.
 - July 15, 2019: The Committee receives \$588.55 in “Miscellaneous receipts.”
 - July 31, 2019: A \$7,000 monetary contribution is received from Unite Here Local 8.

- September 23, 2019: A \$200,000 monetary contribution is received from Unite Here TIP State & Local Fund out of New York.
- October 11, 2019: A \$110,123 monetary contribution is received from Unite Here TIP State & Local Fund out of New York.
- October 11, 2019: A \$53,000 monetary contribution is received from Unite Here Local 8.

2.12 Information on the PDC website as part of the “Political Committee Instruction Manual” included a link for the “Committee Name”, which stated the following:

- A sponsored committee must include its sponsor’s name in the committee’s name. A committee with multiple sponsors may include all – but must include at least one – sponsor’s name in the committee’s name. A political committee shall include a known sponsor in its name when registering. The committee must amend its registration 60 days before an election in which it participates if the sponsor has changed.

2.13 Since Unite Here Local 8 received more than 80% of its contributions from Unite Here TIP State and Local Fund, Unite Here Local 8 was required to amend the Committee Registration no later than September 7, 2019, listing Unite Here TIP Local and State fund as the sponsor within 60 days of November 5, 2019 primary election.

2.14 Unite Here Local 8 failed to amend the Committee Registration listing Unite Here TIP Local and State Fund as the sponsor.

UNITE HERE Local 8: failure to include the proper sponsor identification on political advertising

2.15 The complainant provided copies of Facebook advertisements stating they were sponsored by Unite Here and started running on July 12, 13, and 14, 2019 in support of Andrew Lewis, a 2019 candidate for Seattle City Council. The copies of the Facebook advertisements stated that “Andrew Lewis grew up near Edith Macefield’s home. He remembers her. For Andrew, the people who live here are more important than cutting ribbons with developers. For Edith. For Andrew. Andrew Lewis for City Council.”

2.16 Ms. Ewen stated the sponsor identification requirements for video advertisements like the advertisements cited in the complaint, are independent expenditure advertisements whose sponsor ID must include the Top 5 contributors of the political committee sponsoring the advertisement. In addition, she stated that RCW 42.17A.320 and WAC 390 requires that sponsor ID information could have “either be clearly spoken or identified, or appear on screen for at least four seconds and the letters shall be greater than four percent of the screen” She stated the advertisements sponsored by United Here Local 8 PAC complied with the PDC political advertising requirements.

2.17 Ms. Ewan stated that United Here Local 8 PAC “has disclosed each and every source of its contributions and expenditures on the reports filed with the PDC.” She stated that the advertisement on the Facebook page in question was “merely the Facebook landing page for the video ad, which itself does not require additional disclosure language beyond what is already contained within the ad.”

- 2.18 Concerning the Facebook ads, Mr. Ewan indicated in her email response that the Facebooks ads had been done by PL, and attached a Facebook billing invoice that was billed under the name Juaquin Ross, President of PL. The invoice listed 10 entries disclosing that a total of \$4,077.13 had been spent by the Committee on Facebook ads covering the period of July 12 through 28, 2019.
- 2.19 The Facebook invoice indicated that 10 separate entries for 10 separate dates followed by either of the following three statements to describe the advertisements: “Campaign Unite Here: Video Views”; “Campaign Lewis Redux” or “Campaign Seattle 07.”
- 2.20 Mr. Ross, as President of PL and a vendor and agent of Unite Here Local 8 PAC, designed the Facebook advertisements and placed the orders for the Facebook advertisements on behalf of Unite Here Local 8.
- 2.21 Mr. Iglitzin added that “Prior to identifying UNITE HERE as the Top PAC Donor in October of this year, Local 8 was informed that that UNITE HERE is in fact the sole entity that funds UNITE HERE TIP State & Local Fund.”

UNITE HERE Local 8 C-6 Reporting

- 2.22 Ms. Ewan stated she contacted the Committee following up on a PDC staff request and she also contacted PL, the vendor the Committee had paid \$150,000 to for the independent expenditure advertisements. She stated that the C-6 reports disclosed expenditures totaling only \$147,000, which differed from the \$150,000 disclosed on the initial C-4 report filed by the Committee. The difference was that PL had not fully spent the entire \$150,000 on advertisements, and added “that as the remainder is spent, that will also appear on a subsequent C6.”
- 2.23 On July 16, 2019, Unite Here Local 8 PAC timely filed a C-6 report checking box 2 for an Independent Expenditure of more than a \$1,000 within 21 days of an election disclosing a total of \$148,299.38 in expenditures made in support of Andrew Lewis. One of the expenditures listed a \$9,299.38 made to Facebook on July 12, 2019, with the description of “Video Ads 7/12 – 8/6/2018.” The C-6 report disclosed that the Unite Here Local 8 Facebook video ads were presented to the public on 7/12/2019, but the requirement to file the C-6 report for Independent Expenditure of more than a \$1,000 within 21 days of an election did not begin until July 16, 2019.
- 2.24 For the 2019 election cycle, UniteHere Local 8 PAC filed a total of 11 C-6 reports, all in support of Andrew Lewis for Seattle City Council, Position #7, that included the following:

C-6 Filing Date	Date Presented to Public	Date Due	Independent Expenditures Made	Independent Expenditure (IE) or Electioneering Communications (EC) details	Days Late
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7/16/2019	7/11 – 7/15/2019	7/16/2019	\$148,299.38	Expenditures included: (1) Comcast Spotlight: \$108,610 for a Cable TV ad buy; (2) Facebook: \$4,077 for Facebook Video Ads (7/12 - 7/19/2019); and (3) KIRO-CBS: \$16,000 made for a primary election TV ad buy that aired 7/21 to 7/28/2019.	0 – 4
8/5/2019	N/A	8/5/2019	\$330.02	IE: Unite Here Local 8 staff time and supplies (Support Andrew Lewis)	0
10/16/2019	10/2 – 10/16/2019	10/3/2019 & 10/16/2019	\$150,000	EC expenditures in support of Andrew Lewis included: (1) Comcast Spotlight: \$80,000 for a Cable TV ad buy (10/2 to 11/5/2019); (2) Bee Media: \$10,000 for online ads with no sub-vendor info (10/2 -11/5/2019); and (3) KIRO-CBS: \$20,000 IE made for a general election TV ad buy that aired 10/13 and 10/20/2019.	Possibly 0-13
10/17/2019	10/08/2019	10/17/2019	\$913.19	EC: Alphabet Google, \$913.19 expenditure made for Online Ads (10/8 -10/16/2019).	N/A
10/18/2019	10/17/2019	10/18/2019	\$2,086.81	EC: Alphabet Google, \$2,086.81 EC was made for Online Ads (Support Andrew Lewis, 10/17 -11/5/2019.	0
10/23/2019	10/22/2019	10/23/2019	\$11,054.91	EC: Print Logistics, \$11,054.91 for Direct Mail piece.	0
10/25/2019	10/26/2019	10/27/2019	\$11,767.94	EC: Print Logistics, \$11,767.94 for Direct Mail piece.	0
10/30/2019	10/29/2019	10/30/2019	\$3,000	EC: Print Logistics, \$3,000 for Online Ads (10/29 -11/5/2019.)	0
11/4/2019	11/2/2019	11/4/2019		EC: Hustle Inc., \$500 expenditure for GOTV Text Messages (11/2 - 11/5/2019).	0

UNITE HERE TIP State and Local Fund: Alleged violation of RCW 42.17A.250: Failure to file a C-5 report:

2.25 On August 9, 2019, UNITE HERE TIP State and Local Fund from New York, timely filed an Out of State Political Committee Campaign Finance Report (C-5 Report) for July of 2019 disclosing that a \$150,000 contribution was made to UNITE HERE Local 8 PAC on July 9, 2019. The C-5 report indicated that aggregate total spent by UNITE HERE TIP State and Local Fund in Washington State in 2019 was less than 20%, and the purpose of the PAC was “To support candidates and ballot issues at the state and local levels.”

- 2.26 On July 15, 2019, UNITE HERE Local 8 PAC timely filed a Monetary Contributions report (C-3 report) disclosing the receipt of a \$150,000 monetary contribution from UNITE HERE TIP State and Local Fund from New York City on July 9, 2019, that was deposited on the same date.
- 2.27 As noted above on October 4, 2019, Unite Here TIP State and Local Fund out of New York City filed a Registration as a continuing political committee. Unite Here TIP State and Local Fund made two additional contributions to Unite Here Local 8, that were timely disclosed as having been made as contributions on C-4 reports filed as an in-state political committee.
- 2.28 On April 6, 2021, the PDC received a completed Statement of Understanding (SOU) from Mr. Iglitzin transmitted on behalf of Unite Here Local 8, acknowledging violations of RCW 42.17A..205, and .240, and paying a \$300 civil penalty in accordance with WAC 390-37-143, the Penalty Schedule adopted by the Commission to resolve this matter.
- 2.29 The \$300 penalty included a \$150 penalty for the acknowledged violation of RCW 42.17A.205, for failing to timely amend the Committee Registration to include Unite Here TIP State & Local Fund as the sponsor for the 2019 election; and a \$150 penalty for the acknowledged violation of RCW 42.17A.240 for failing to accurately disclose the required expenditure details on the 21-Day Pre-Primary Election C-4 report for the independent expenditure or electioneering communication advertisements.

III. **Scope**

- 3.1 PDC staff reviewed the following:
- The complaint and exhibits filed by Tallman Trask against UNITE HERE Local 8 PAC and UNITE HERE Tip Local and State Fund.
 - The Summary Full Campaign Contributions and Expenditures reports (C-4 reports) and Independent Expenditure reports (C-6 reports) filed by UNITE HERE Local 8 PAC.
 - The Out of State Political Committee Campaign Finance Report (C-5 Report) and C-6 reports filed by UNITE HERE TIP State and Local Fund.
 - The emailed responses and exchanges between PDC staff, and legal counsel for UNITE HERE Local 8 PAC.
- 3.2 PDC staff queried the PDC contribution and expenditure database for UNITE HERE Local 8 PAC and UNITE HERE TIP State and Local Fund during calendar year 2019.

IV. **Statutes and Rules**

RCW 42.17A.205(5) requires political committees to include on the registration “the name of the person who is the sponsor of the committee. If more than one person meets the definition of sponsor, the name of the committee must include the name of at least one sponsor...”

WAC 390-16-011A(4) states in part “A sponsored political committee must amend its C-1pc sixty days before an election in which it participates if the committee's name on its most recently filed C-1pc does not include at least one current sponsor.”

RCW 42.17A.005(47)(b) states "Sponsor," for purposes of a political or incidental committee, means any person, except an authorized committee” and applies to a political committee if the committee has received “eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders.”

RCW 42.17A.240 requires political committees to accurately disclose all contribution and expenditure information on the C-4 reports, and provide a detailed description for all expenditures made including that the expenditure was for an independent expenditure or electioneering communication, the names of the candidate(s) supported or opposed by the advertisements, and the number of mail pieces printed and mailed.

RCW 42.17A.260 requires sponsors of independent expenditure political advertisements undertaken within 21-days of an election that spend more than \$1,000 supporting or opposing a candidate(s), to file a C-6 report within 24 hours of presenting political advertising to the public.

RCW 42.17A.305 requires sponsors of electioneering communications advertisements, undertaken within 60-days of an election and who spend more than \$1,000 in featuring or mentioning candidate(s) appearing on the ballot, to file a C-6 report within 24 hours of presenting that communication to the public

Respectfully submitted this 29th day of March, 2021.

Electronically Signed Kurt Young
PDC Compliance Officer