



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.pdcca.wa.gov

February 26, 2021

Delivered electronically to Maxford Nelsen, Freedom Foundation, at
mnelsen@freedomfoundation.com

Subject: Complaint regarding Intermech, Inc. (3), PDC Case 54818

Dear Mr. Nelsen:

Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received July 15, 2019, alleging Intermech, Inc. violated RCW 42.17A.495 and WAC 390-17-100 by deducting employees' wages for political contributions to Plumbers & Steamfitters Local 598 PAC, the political action committee operated by United Association of Plumbers and Pipefitters Local 598, without first obtaining authorizations compliant with RCW 42.17A.495 and WAC 390-17-100. The complaint stated, in March-May 2019, Intermech withheld at least \$9,764.82 from its employees' wages for Local 598 PAC without compliant authorization forms.

Your complaint also alleged the otherwise compliant Version Three dispatch/authorization form created by Local 598 PAC for Intermech violates WAC 390-17-100 by failing to allow the employee to designate the dollar amount of the contribution to be withheld from the employee's wages. The complaint alleged the authorization form impermissibly restricts the employee's ability to choose how much to contribute to the PAC by providing a pre-determined contribution of 0.7 percent of wages, even though the template form in WAC 390-17-100 permits the employee to designate a specific dollar amount for a contribution.

RCW 42.17A.495 and WAC 390-17-100 provide, no employer may withhold wages or salaries for contributions to political committees or for use as political contributions except upon the written request of the employee. The written request must be on a form prescribed by the commission informing the employee of the prohibition against employer and labor organization discrimination. The written request form must also inform the employee of the right to revoke the written request at any time. Employers are also required to maintain open for public inspection documents and books of account verifying wages withheld through payroll deductions for political contributions.

WAC 390-17-110 requires employers to provide an annual notification of the nondiscriminatory provisions of RCW 42.17A.495(2) and language stating the employee authorization for withholding wages or salary for political contributions may be revoked at any time.

PDC staff reviewed your complaint, responses from Apollo Mechanical Contractors, and the relevant law and rules. As a result of the investigation, staff found the following:

Alleged Failure to Use Authorization Forms with Nondiscrimination and Right to Revoke at Any Time Language - On June 6, 2019, the Freedom Foundation requested an opportunity to inspect the PAC deduction authorization forms for employees listed as contributors to Local 598 PAC in March, April and/or May 2019. The documents reviewed by the Freedom Foundation on July 10, 2019 consisted mostly of dispatch/PAC deduction authorization forms, but also included several signed statements by various Intermech employees acknowledging receipt of an annual notification of their right to cease contributing to Local 598 PAC through a payroll deduction.

On July 31, 2019, Jeremy F. Wood, then-legal counsel for Intermech responded to the complaint, stating Intermech has consistently complied with the Fair Campaign Practices Act ("FCPA") and any guidance the PDC has provided. He said Intermech has demonstrated repeatedly it will comply with the PDC's guidance, and believes it has already complied with the law, but remains ready to work with PDC. Mr. Wood described the various authorization forms used since 2013, and stated, in March 2019, Intermech began using the fully compliant Version Three form. Intermech is now using compliant Version Three authorization forms for employees authorizing deductions for political contributions.

Alleged Failure to Allow Employees to Designate a Specific Dollar Amount of Deduction - Staff's investigation found an employee is not prohibited by RCW 42.17A.495 and WAC 390-17-100 from requesting a payroll deduction for political contributions based on a percentage of the employee's wages or salary. The sample form in WAC 390-17-100 includes a space for an employee to designate the dollar amount to be deducted per period/week/month/year, but neither the form nor the rule prohibits an employee from designating the dollar amount to be deducted as a percentage of wages or salary.

After a careful review of the alleged violations and relevant facts, PDC staff has concluded its investigation, and has resolved the complaint against Intermech, Inc. The complaint has been resolved through a Statement of Understanding and dismissal, as described below.

Intermech, Inc. completed a Statement of Understanding (SOU) in accordance with WAC 390-37-142. Intermech: (1) acknowledged a violation of RCW 42.17A.495 and WAC 390-17-100 by deducting employees' wages for political contributions to Plumbers & Steamfitters Local 598 PAC (Local 598 PAC), the political committee operated by United Association of Plumbers and Pipefitters Local 598 (Local 598), without first obtaining authorizations that comply with RCW 42.17A.495 and WAC 390-17-100; (2) expressed an understanding that the Commission will not hold an adjudicative hearing in connection with the violation; and (3) paid a \$500 civil penalty. The \$500 penalty resolves this allegation. Staff believes this is the appropriate resolution considering all the facts and circumstances, including Intermech's good-faith efforts to come into compliance after receiving the PDC's February 14, 2019 warning letter.

Because staff's investigation found an employee is not prohibited by RCW 42.17A.495 and WAC 390-17-100 from requesting a payroll deduction for political contributions based on a percentage of the employee's wages or salary, meaning that a requested deduction based on a percentage of the employee's salary is permissible, I am dismissing that portion of the complaint in accordance with WAC 390-37-070.

If you have questions, you may contact Phil Stutzman, Compliance Officer, at 360-753-1111; toll-free at 877-601-2828; or by e-mail at pdcc@pdc.wa.gov.

Sincerely,

Electronically Signed Peter Frey Lavalley

Peter Frey Lavalley
Executive Director