

Notocamaspoolbond replied Wed, 13 Nov 2019 at 4:44PM
to: "PDC Support" <pdcc@pdcc.wa.gov>
PDC Case Number 59299

Dear Tabitha,

Upon a detailed review of RCW 42.17A.220(4), which prohibits committees from depositing, using or expending accumulated unidentified contributions in excess of 1% of total contributions received in a calendar year or \$300, whichever is greater, it appears that the Camas Taxpayers Alliance PAC may have exceeded the calendar year maximum of \$300, and thereby may have violated RCW 42.17A.220(4). As you know, I am not a campaign finance attorney or an experienced PAC manager, but when I read the regulation for the first time after receiving your latest email, I have also come to that conclusion.

First, let me say that I simply had no idea that there was a maximum limit within the mini-filer total maximum of \$5000, which restricted more than \$300 in anonymous cash contributions.

I am just a regular citizen and voter/taxpayer in Camas, WA. My wife and I moved here 2 years ago from Utah, and I have never been involved in any political action committee or bond proposition group in my entire life. A few of my neighbors and I had a backyard BBQ this Summer and decided we wanted to try to organize against what we felt was a bad fiscal move for our Town. None of us had any idea what complexities lay ahead to simply buy some yard signs for ourselves and some neighbors. I was chosen as the guy who would try to be the first-time filer. I read through what I thought was every single page of relevant information regarding a new PAC on your PDC website. It appeared that the mini-filer, single-issue PAC structure was the most appropriate for us, so we registered that way on our C-1.

I had to create a company in Washington, file for a Federal EIN number, have a director's meeting, pass a corporate resolution to authorize a bank account, open said bank account, and deposit donations- all to buy some yard signs. It was definitely a learning experience. But as I review those tens of pages that we read during the initial C-1 application process, I saw nothing about this \$300 maximum limit. In fact, in the second page of the FAQ section it states, "Is there an expenditure restriction?"

The mini reporting option has an expenditure maximum of \$5,000, **but no other expenditure limit exists in state law**. According to statute, no expenditure may legally be made unless it's authorized by a person named on the political committee's C-1pc registration statement. Treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign."

Moving to the next series of information points, we read the "Political Committee Instructions" pages, where anonymous contributions are discussed in the subsection called "Prohibitions and Restrictions", under a third subsection called "Contributions - Anonymous Contributors"- we read the following: "Once the committee has received more than \$30,000 in total contributions in the current calendar year, the anonymous contribution limits are calculated at 1 percent of total contributions received to date, for the remainder of that calendar year." I honestly read that to mean that the maximum of 1% or \$300 applied ONLY once the committee received more than

\$30,000. I knew as a many filer, we would never exceed \$5000 in donations, so I moved on the next 12 sections. Since your email caused me to spend an hour re-reading this section however, and additionally having a clarifying telephone call with you last week- it appears that I may not have fully understood this provision and requirement.

I believe you are aware that these anonymous cash donations were made into a donation jar that was kept outside my front door next to about 20 yard signs. We did this over about a 4 week period, in addition to raising money in checks from individual donors. When we had enough money, we'd order a new batch of signs. I literally had hundreds of neighbors come to my house to pickup these signs. Many put a \$3 contribution in the jar. Some may have put in more. Some didn't put in any. I have no way of knowing who these people were or how much they put in- but we know that almost 1000 signs that we purchased and distributed this way, generated only \$1500 in cash donations. It was the most grass roots thing you ever saw. They just kept coming, and when we'd run out, they'd be waiting at the door for the next batch to arrive.

As a new mini-filer, I approached this type of donation jar fundraising as I would have for any non-profit or church fundraiser- think of every bake sale or car wash, or passing the offering plate on Sunday. I thought that was a perfectly acceptable way to help pay for new yard signs, as people paid it forward with small cash donations. I added up every weekend's take, and reported that in our accounting program. When we made deposits in the bank, we separated all the cash from the checks and made those notations. We thought we were doing it right. We kept perfect books, and we monitored every single weekend so we knew to cap the donation jar for good once we got close to the \$5000 maximum. We even returned about \$400 in checks because they came in the final weekend and they would have put us over the maximum aggregate limit. We were paying close attention at all times.

I would think this would be a common strategy for people trying to raise money for their cause. But if it isn't, then **that should be stated in 32 point helvetica bold** at the TOP of the mini-filer's FAQ sheet. Not buried in 3 subsections with confusing language. **TOTAL ANONYMOUS CONTRIBUTIONS CAN NOT EXCEED \$300!** If I had known that, we could have easily identified every person who came here. I could have placed a receipt book out there, I could have made it to where someone was manning the donation jar at all times, giving out receipts. I would have gladly recorded every single dime from every single person if I had known that it was required. And if it is required, then that needs to be a top line highlighted header on the website and the FAQ page for mini-filers. I can only imagine how many first time filers like myself have missed that understanding completely. A donation jar is how I've raised money for causes my whole life.

I have shared our complete financial statements with you, and will continue to do so- even though ultimately it revealed that our anonymous cash donations may have exceeded the limit of \$300. I hope that it illustrates that 1. I have nothing to hide, 2. I accounted for everything properly and did not exceed the \$5000 limit, and 3. I collected these anonymous cash contributions and bought more yard signs with them, on 4 different occasions in the month of October. I literally kept doing it over and over. I will not hide from that, nor try to explain it with fancy words. That's how I did it, that's how our grass roots movement got started and grew. I can't change it, so I will share it with you and work to remedy it in every way I can. I appreciate

the work of the PDC, and support its mission through my compliance. I just had no idea we were doing something wrong during the process. I got every single other thing right, but it appears I simply misunderstood the \$300 limit for anonymous cash.

Please let me know how to proceed, and thank you for the opportunity to tell my story to your team.

Sincerely,

Scott Hogg
Camas Taxpayers Alliance



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notocamaspoolbond@gmail.com
www.notocamaspoolbond.com
(360) 818-4377

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