



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

October 27, 2020

Delivered electronically to Jon Petit

Subject: Complaints filed against Our Region PAC, PDC Case Tickets #74713 and #77585

Mr. Petit:

Below is a copy of an electronic letter sent to Joe Hyer concerning two of the complaints he filed with the Public Disclosure Commission (PDC) against Our Region PAC. For your information, the two complaints were combined and incorporated into one complaint resolution letter to more efficiently use PDC resources.

As noted in the letter addressed to Mr. Hyer, the PDC will not be conducting a more formal investigation into these allegations or taking any enforcement action concerning these matters. However, staff is reminding Our Region PAC and you to be aware of the sponsorship requirements in the naming of a political committee, as well as the sponsor identification requirements for independent expenditure advertising to include the Top five and Top three contributors for the previous 12 months, for any political committees you are involved with in the future.

The PDC has dismissed the two complaints filed against Our Region PAC for PDC Cases 74713 and 77585, in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young by e-mail at pdc@pdc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Electronically Signed Kurt Young
Compliance Officer

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



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October 27, 2020

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Subject: Complaints filed against Our Region PAC, PDC Case Tickets #74713 and #77585

Mr. Hyer:

The Public Disclosure Commission (PDC) has completed its review of two of the complaints you filed against Our Region PAC, a political committee registered with the PDC, the first one on July 29, 2020, and a second complaint received on October 5, 2020. For your information, the two complaints were combined and incorporated into one complaint resolution letter to more efficiently use PDC resources.

The two complaints alleged that Our Region PAC, a political committee registered and reporting with the PDC, violated RCW 42.17A by failing to include the required sponsor identification information for independent expenditure advertisements such as the sponsor, and the Top 5 contributor and Top 3 contributor information, as part of the disclaimer in the advertisements.

PDC staff reviewed the complaint and allegations; the applicable statutes, rules, and political advertising sponsor identification requirements for a political committee making independent expenditures; the reports filed by Our Region PAC and the Responsible Economic Growth in Our Neighborhood PAC; and the response from Jon Petit on behalf of the political committee. Based on staff's review we found the following:

- On July 2, 2020, Our Region PAC filed a Registration with the PDC disclosing that it was a Continuing Political Committee selecting the Full Reporting Option and listing Jon Petit as President and as a Ministerial Treasurer.
- On July 13, 2020, Our Region PAC (ORP) filed two C-3 reports disclosing a \$10,000 contribution had been received from Responsible Economic Growth in Our Neighborhood PAC - Region PAC on July 10, 2020, and that a \$100 monetary loan had been received from Jon Petit.
- ORP disclosed receiving \$10,000 in total monetary contributions received, and \$9,734 in total expenditures made through August 31, 2020. The C-4 reports filed by ORP disclosed two expenditures were made to Happy Print, LLC that included a \$5,121 expenditure made on July 14, 2020, and a \$3,763 expenditure made on July 28, 2020, for two independent expenditure mailers in support of Bud Blake for Thurston County Commissioner.

- On July 15, 2020, ORP timely filed a C-6 report checking box #2 for an independent expenditure advertisement made within 21 days of an election, disclosing a \$5,120.60 expenditure for a mailing presented to the public on July 15, 2020, in support of Bud Blake a candidate for Thurston County Commission.
- On August 6, 2020, ORP filed a C-6 report checking box #2 for an independent expenditure advertisement made within 21 days of an election, disclosing a \$3,762.56 expenditure for a mailing presented to the public on August 6, in support of Bud Blake a candidate for Thurston County Commission.
- Responsible Economic Growth in Our Neighborhood PAC - Region PAC (REGION) is a Continuing Political Committee that was formed in February of 2019, selecting the Full Reporting Option, and listing David K. Toyer as Committee Manager and Treasurer. You alleged that ORP failed to include two 2019 REGION contributors, Northpoint Development and Art by Nature, Inc. in the sponsor identification for the 2020 independent expenditures.
- RCW 42.17A.350 and WAC 390-18-025 concerning the Top three contributors to a PAC requires the advertisement to list the three individuals or entities or persons, other than political committees, who made contributions totaling \$1,000 or more *“during the twelve-month period preceding the date on which the advertisement was published or otherwise presented to the public.”*
- The complete sponsor identification in the independent expenditure advertisement stated: *“No candidate authorized this ad, it is paid for by Our Region PAC....Sponsored by Responsible Economic Growth in Our Neighborhood (REGION PAC) top 5 donors are Responsible Economic Growth in Our Neighborhood (REGION PAC), top 3 individuals donors to PAC contributors are Universal Land Construction co, Gibson Traffic Consultants, and The Gordon Company, Inc.”*
- RCW 42.17A.005(47) states that sponsor for purposes of naming a political committee includes any person that provides eighty percent or more of a political committee’s contributions. either from the person or from the person's members, officers, employees, or shareholder.
- In addition, WAC 390-16-011A(4) states that *“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. To determine if the committee received eighty percent or more of its contributions from a person.... (b) A committee... must consider all contributions received from the time the committee was organized or filed its initial C-1pc, whichever is earlier.”*
- On or around September 6, 2020, ORP needed to review the contributions that had been received to date. If the review indicated that ORP had received 80% or more of its total contributions from any one source, the PAC was required to amend the Committee Registration to include the sponsor's name. Staff's review found Responsible Economic Growth in Our Neighborhood PAC contributed \$10,000 that was received on July 10, 2020 by ORP and was the only other contribution received by the PAC was a \$100 loan from Jon Petit.
- On October 22, 2020, ORP amended its Committee Registration to state: *“Our Region PAC, Sponsored by Responsible Economic Growth in Our Neighborhood (ORPAC).”*

- Staff's review also found that at the time of the 2020 independent expenditure advertisements were prepared by ORP, REGION's top three contributors for calendar year 2020 included a \$2,500 monetary contribution from Gibson Traffic Consultants (June 2, 2020); a \$2,500 monetary contribution from Universal Land Construction Company, Inc (June 10, 2020); and a \$2,000 monetary contribution from The Gordon Company, Inc. (June 24, 2020).
- Staff's review verified that ORP failed to include two 2019 REGION contributors, Northpoint Development, for a \$7,500 monetary contribution received by REGION on October 15, 2019; and Art by Nature, Inc., for a \$5,000 monetary contribution received by REGION on November 14, 2019, in the sponsor identification

While the independent expenditure advertisements printed and distributed by ORP did include Top five and Top three contributor information, ORP's review only included 2020 contributors and failed to include a look back into REGION's 2019 contributors to cover the required 12-month period referenced in the statute and rule listed above.

Staff did find there were several mitigating factors concerning the allegations listed in the two complaints you filed that included ORP being a first-time political committee with an inexperienced Treasurer. As noted above, the ORP independent expenditure advertisements correctly identified the sponsor in the advertisements by stating in part of the sponsor identification "Sponsored by Responsible Economic Growth in Our Neighborhood PAC (REGON)."

Based on this information, PDC staff found no evidence that would constitute a material violation that would require conducting a more formal investigation into the complaint or pursuing any enforcement action in this instance. However, staff is reminding Our Region PAC and Mr. Pettit to be aware of the sponsorship requirements in the naming of a political committee, as well as the sponsor identification requirements for independent expenditure advertising to include the Top five and Top three contributors for the previous 12 months, for any political committees he is involved with in the future.

The PDC has dismissed these two complaints, PDC Cases 74713 and 77585, in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young 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, PDC Executive Director

cc: Jon Petit with Our Region PAC

