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PUBLIC DISCLOSURE COMMISSION

State of Washington

PUBLIC DISCLOSURE COMMISSION

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Public Disclosure Commission Statement of Understanding

Mercer Islanders for Sustainable Spending PAC (MISS): PDC Case 82004

Michael R. Cero, as an Officer of the Mercer Islanders for Sustainable Spending PAC (MISS) hereby acknowledge that MISS violated the following:

1. RCW 42.17A.260 and RCW 42.17A.305 by failing to timely file Independent Expenditure reports (C-6 reports) disclosing independent expenditures and electioneering communications undertaken in support of, and opposition, to ten 2019 candidates seeking the office of Mercer Island City Council.
2. RCW 42.17A.240 by failing to timely provide the required expenditure details on Summary Full Campaign Contribution and Expenditure Reports (C-4 reports) for a continuing political committee, including the names of the candidates supported or opposed, that the expenditure was for an independent expenditure or electioneering communication, and the number of mail pieces printed.

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.

On November 4, 2019, MISS filed four C-6 reports one day before the November 5, 2019 general election indicating that the expenditures were for Independent Expenditures of \$100 or more, Independent Expenditure Advertisements of more than \$1,000 undertaken within 21 days of an election, and Electioneering Communications. The C-6 reports disclosed the following expenditures made by MISS:

- A \$1,433 expenditure was made to FedEx on October 3, 2019, to print a letter and envelopes for an electioneering communication advertisement that was presented to the public on October 11, 2019 and supported or opposed ten 2019 candidates for Mercer Island City Council. MISS was required to file a C-6 report within 24 hours of the advertisements being presented to the public, or no later than October 12, 2020. The expenditure information was disclosed 23 days late on a C-6 report.
- A \$5,201,90 expenditure was made to FedEx on October 21, 2019, to print a half page mailer for an independent expenditure advertisement of more than \$1,000 that was presented to the public on October 25, 2019. The advertisement was in support of Daniel Jacobsen and in opposition to Deborah Bertlin, two candidates for Mercer Island City Council, and MISS was required to file a C-6 report no later than October 26, 2020. The expenditure information was disclosed nine days late on a C-6 report.
- Four \$949 expenditures totaling \$3,796 were made to Sound Publishing by MISS for four full page independent expenditure newspaper advertisements that appeared in the Mercer Island Reporter, all in support of five 2019 candidates for Mercer Island City Council. The C-6 report disclosed: (1) a \$949 expenditure made on October 3, 2019, and presented to the public on 10/9; (2) two \$949 expenditures were made on October 15, 2019, for advertisements presented to the public on 10/16 and 10/23; and (3) one expenditure made on October 23, 2019, for an advertisement presented to the public on October 26, 2019. MISS disclosed the four independent expenditure newspaper advertisements on C-6 reports that were filed between nine and 19 days late.

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.

- On October 15, 2019, MISS timely filed the 21-Day Pre-General Election C-4 report disclosing \$3,448 in total expenditures that included: (1) a \$1,433 expenditure made to FedEx on October 3, 2019, and listing the description as "Mailer, letter and envelopes"; and (2) a \$949 expenditure made to Sound Publishing on October 3, 2019, and listing the description as "10/9 Full Page Color Ad."

- On October 29, 2019, MISS timely filed the 7-Day Pre-General Election C-4 report disclosing a \$20,197.24 in total expenditures, minus a \$4,385 refund for one of the expenditures.

The expenditures included: (1) a \$5,201.90 expenditure made to FedEx on October 21, 2019, for a half page mailer; (2) a \$4,241 expenditure made to FedEx on October 23, 2019, for a quarter page mailer; (3) a \$2,815 expenditure made to FedEx on October 28, 2019, for a half page mailer; and (4) three \$949 expenditures made to Sound Publishing, including two expenditures on October 15, 2019, and one expenditure on October 24, 2019, and listing the descriptions as "10/16, 10/23 and 10/30 Full Page Ads."

- The expenditure descriptions for the mailers and newspaper advertisements disclosed on both the 21-Day and 7-Day Pre-General Election C-4 reports failed to identify the expenditures were for an independent expenditure or electioneering communication advertisement. In addition, both C-4 reports failed to identify any of the Mercer Island City Council candidates supported or opposed by the advertisements, the date of the mailer, or the number of mail pieces printed and mailed.

MISS would like to avoid the time and expense resulting from a Brief Adjudicative Proceeding (Brief Enforcement Hearing) being scheduled by Public Disclosure Commission (PDC) staff.

Therefore, in lieu of PDC staff scheduling a Brief Enforcement Hearing, MISS is completing this Statement of Understanding, and enclosing a check or money order in the amount of \$600 as a penalty payment to resolve this matter. The \$600 penalty assessed against MISS includes:

- A \$300 penalty for the acknowledged violations of RCW 42.17A.260 and .305, for failing to timely file C-6 reports during the 2019 election cycle disclosing multiple independent expenditures and electioneering communication advertisements undertaken in support of, and opposition to, ten 2019 candidates seeking the office of Mercer Island City Council.
- A \$300 penalty for the acknowledged violations of RCW 42.17A.240 for failing to accurately disclose the required expenditure details on the 21-Day and 7-Day Pre-General C-4 reports for the independent expenditure or electioneering communication advertisements.

The \$600 penalty is being assessed in accordance with the Penalty Schedule adopted by the Commission for Brief Enforcement Hearings set forth in WAC 390-37-143.

MISS understands that by completing this Statement of Understanding, MISS is acknowledging violations of Chapter 42.17A RCW and Title 390 WAC as set forth above and waiving its right to a hearing in this matter.

MISS further understands that this will resolve the issues of failing to timely file C-6 reports and failing to accurately disclose the required expenditure details on the C-4 reports, as described above.



Mike Cero, Treasurer for MISS



Date Signed

Please make your check or money order payable to the **“Washington State Treasurer”** and be sure to include the PDC Case number in the memorandum field, and mail or deliver this Statement of Understanding along with your payment to:

Public Disclosure Commission
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