November 5, 2024

Ms. Tanya Mercier Compliance Officer Public Disclosure Commission P.O. Box 40908 Olympia, WA 98504-0908

RE: Citizens for Liberty and Labor: Alleged violation of RCW 42.17A.235, .240 & .405

Dear Ms. Mercier:

On behalf of Citizens for Liberty and Labor ("the Committee"), I am hereby responding to the allegations raised by Mr. John Estey in the above-referenced matter. The details necessary to respond to the allegations were provided by The Committee.

Mr. Estey's allegation that the Committee violated campaign finance law is unfounded, as described herein. His allegations are based on a fundamental misunderstanding of campaign finance law and the difference between an authorized agent and a vendor relationship.

Without conceding to any allegations, the Committee welcomes the continued efforts of the PDC to ensure that any errors, if found, are corrected in a way which satisfies the law. The violations alleged by Mr. Estey are wholly unmeritorious

## 1. "Alleged Violation of RCW 42.17A.235, .240 & .405"

Mr. Estey's allegation appears to be based on his broad interpretation of 42.17A.005(15)(iii) which defines a contribution as "*The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, digital, or other form of political advertising or electioneering communication prepared by a candidate, a political or incidental committee, or its authorized agent*". Mr. Estey's case rests specifically on their assertion that Hamilton Studio, a vendor utilized by both the Committee and Molly Marshall's campaign committee, is an *authorized agent* of Molly Marshall's campaign committee were made in coordination with an agent of the Molly Marshall campaign, invalidating them as independent expenditures.

WAC 390-05-190 defines "Agent" as the term is used in chapter 42.17A and Title 390 WAC as "a person, whether the authority or consent is direct or indirect, express or implied, oral or written, who: (1) Is authorized by another to act on their behalf; or (2) Represents and acts for another with the authority or consent of the person represented". This definition is consistent with the legal concept of an authorized agent as a party which is authorized by another to make decisions on their behalf. Mr. Estey's interpretation therefore relies on an assumed relationship between Hamilton Studio and Molly Marshall's campaign committee, which the Committee cannot speak to. Hamilton Studio is a vendor which provides videography services. They are not an advertising

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agency, and, to the best knowledge of the Committee, they do not provide services which would include representing a committee to make expenditure on their behalf. The Committee entered into a contract for goods or services with Hamilton Studio with the sole intent of producing videos to be used in advertisements published elsewhere. There is no evidence to suggest or support that any of the content produced by Hamilton Studio for use in advertisement by the Committee was duplicated from or authorized by any agents of Molly Marshall's campaign committee. While PDC filings show that both the Committee and Molly Marshall's campaign did utilize Hamilton Studio for a similar service, this correlation alone is insufficient to constitute a coordinated expenditure under the law.

## Conclusion

The Committee entered into a separate, individual, and unrelated business relationship with a vendor to procure services which are within the day-to-day scope of Hamilton Studio. At no time was there a sharing of information or coordination with Vote Molly Marshall. As there was no coordination with Vote Molly Marshall, the further allegations that the Committee failed to timely and accurately report contributions and expenditures and made overlimit contributions to a candidate committee are without standing.

In fact, this case is nearly identical to PDC Enforcement case #59671 where the Complainant alleged a similar interpretation. In that case the PDC reviewed the commercial advertiser books of account with the implicated vendors and made the determination that coordination did not take place.

For the foregoing reasons, I believe that it would be appropriate for the PDC to dismiss these allegations outright.

If you have any questions, please do not hesitate to contact me.

Sincerely, Geoffrey Bracken Ministerial Treasurer, Citizens for Liberty and Labor 509-251-1816 <u>Geoff@BrackenConsulting.llc</u> Citizensforlibertyandlabor@gmail.com

CC: Sean Doyle, Chair (via email)