

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

February 7, 2025

Delivered electronically to "info@jaimeforlands.com"

Subject: PDC Case 161493

Dear Jaime Herrera-Beutler:

Enclosed is a copy of an electronic letter sent to Marina Multhaup and Dmitri Iglitzin, on behalf of Washingtonians for Ethical Government, concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the enclosed letter to Marina Multhaup and Dmitri Iglitzin, on behalf of Washingtonians for Ethical Government, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

If you have questions, you may contact Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,

Electronically Signed Philip E. Stutzman

Phil Stutzman

Compliance Officer

Endorsed by,
Electronically Signed Kim Bradford
Kim Bradford
Deputy Director
For Peter Frey Lavallee
Executive Director



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February 7, 2025

Delivered electronically to <u>multhaup@workerlaw.com</u> and <u>iglitzin@workerlaw.com</u>

Subject: Complaints regarding Let's Go Washington Sponsored by Brian Heywood, Case 161496; Dave Reichert, Case 160779; Jaime Herrera Beutler, Case 161493; and Lawrence Patrick Hughes, Case 161712

Dear Marina Multhaup and Dmitri Iglitzin, on behalf of Washingtonians for Ethical Government:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 29, 2024. Your complaint alleged that Let's Go Washington Sponsored by Brian Heywood may have violated RCW 42.17A.235 by failing to accurately record and report its true contributors; that Dave Reichert and Jaime Herrera-Beutler may have violated RCW 42.17A.235 and RCW 42.17A.405(14) by failing to accurately report their contributors and by accepting contributions which exceed the limits for individuals per election; and that Lawrence Patrick Hughes may have violated RCW 42.17A.435 by unlawfully contributing money under the name of a deceased person and RCW 42.17A.405(2) by, through that means, making contributions in excess of the contribution limits.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the responses provided by Let's Go Washington Sponsored by Brian Heywood, Dave Reichert, Jaime Herrera-Beutler, and Lawrence Patrick Hughes; the applicable PDC reports filed by Respondents with reporting requirements; and other relevant information, to determine whether the record supports a finding of one or more violations.

Applicable Laws & Rules

RCW 42.17A.235 and **.240** require candidates and political committees to file timely, accurate reports of contributions and expenditures including the name and address of each person who has made one or more contributions during the period.

RCW 42.17A.435 states, "No contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment."

Background & Findings

- Let's Go Washington Sponsored by Brian Heywood is a political committee formed to support several initiatives to the Legislature during 2023, three of which appeared on the 2024 general election ballot, and a 2024 initiative to the people.
- Dave Reichert was a 2024 candidate for Governor who appeared on the general election ballot.
- Jaime Herrera-Beutler was a 2024 candidate for Public Lands Commissioner who appeared on the general election ballot.
- Lawrence Patrick Hughes made contributions in his name and in the name of his spouse, after she had passed away, to the 2024 campaigns of Let's Go Washington, Dave Reichert, and Jaime Herrera-Beutler.

Based on staff's review, we found the following:

Let's Go Washington Sponsored by Brian Heywood, Case 161496

- Jason Michaud, Treasurer for Let's Go Washington Sponsored by Brian Heywood (LGW), stated, "On August 1, 2024, LGW received a check by mail which had been endorsed by Lawrence Hughes. Although the check was signed by Mr. Hughes, it contained the printed name of Mary Ellen Hughes. Given that Mary Ellen's name appeared on the check, but the remitter's signature and accompanying return instrument indicated Mr. Hughes was the donor, the donation was initially split equally between the two individuals."
- "Upon learning of Mary Ellen Hughes' passing through the media on October 30th 2024, LGW proactively amended the C3 report that same day to reflect Lawrence Hughes as the sole contributor, even prior to receiving any formal complaint regarding the matter."

Dave Reichert, Case 160779

- Drew Stokesbary, Legal Counsel for the Reichert campaign, stated that as of November 4, 2024, the Reichert Campaign had raised over \$6.5 million from nearly 30,000 unique contributors in nearly 60,000 separate transactions. The Reichert campaign stated that through their finance team, treasurer and legal counsel, they had systems in place to ensure their compliance obligations were met in full.
- Concerning the allegation that the Reichert campaign accepted contributions from Lawrence
 Patrick Hughes in the name of his wife, Mary Ellen Hughes, after she had passed away, the
 campaign stated they did not know that Mrs. Hughes was deceased until October 30, 2024, which
 was after the complaint was filed.
- The Reichert campaign received two contribution checks written on accounts with the names of Lawrence P. Hughes and Mary Ellen Hughes. The campaign stated that the first check, in the amount of \$4,800, was received on December 13, 2023, and included the names of Lawrence P. Hughes and Mary Ellen Hughes. The campaign attributed equal parts of the contribution to each of the two individuals named on the check.
- The second check, in the amount of \$2,400, was received on May 1, 2024, and also included the names of Lawrence P. Hughes and Mary Ellen Hughes, as well as that of a third individual, Christine D. Hendley. This contribution was originally attributed only to Mary Ellen Hughes.
- The Reichert campaign stated that neither check included nor was accompanied by any notation indicating that Mary Ellen Hughes was deceased or that the contribution was only from Lawrence Hughes. The Reichert campaign stated that upon receiving the complaint they promptly reviewed their records, identified the two checks, and sought written guidance from PDC staff regarding how to correct the campaign's prior filings.
- The Reichert campaign stated they believed that had they been aware of the passing of Mary Ellen Hughes at the time the contributions were received, they could have allocated the \$4,800

- contribution, received December 13, 2023, entirely to Mr. Hughes (\$2,400 for the primary election and \$2,400 for the general election) and the \$2,400 contribution received May 1, 2024 to Christine Hendley, whose name appeared on the check as an account owner, and who signed the check.
- The Reichert campaign sought PDC staff guidance, asking if, in the staff's view, this allocation would have been permissible at the time the contributions were received, and if so, whether the campaign was permitted to amend its C-3 reports to allocate the two checks in the manner described.
- PDC staff stated that, in its view, the contribution allocations described by the Reichert campaign would have been permissible at the time the contributions were received, and said the campaign could amend its C-3 reports to allocate the contributions as described. The Reichert campaign then amended its reports as described, reattributing the contributions originally attributed to Mary Ellen Hughes, as follows: (1) The December 13, 2023 contribution was attributed entirely to Lawrence P. Hughes, with \$2,400 designated for the primary election and \$2,400 designated for the general election; and (2) the May 1, 2024, contribution was attributed to Christine D. Hendley and designated for the primary election.
- However, PDC staff learned that Mr. Hughes initially intended for both contribution checks, totaling \$7,200, to the Dave Reichert campaign, to be from him and that Ms. Hendley's name was placed on the checks only to fulfill a ministerial role as family assistant, without an ownership interest in the funds in the account.
- PDC staff notified the Reichert campaign that both contribution checks were from Mr. Hughes and the Reichert campaign immediately amended its C-3 report to show Mr. Hughes as the contributor and removed Ms. Hendley as the contributor. Also, on January 31, 2025, the Reichert campaign refunded \$2,400 to Mr. Hughes for the over-limit contribution.

Jaime Herrera-Beutler, Case 161493

• The Herrera-Beutler campaign said they followed PDC rules, which state that contributions must be attributed equally among the names listed on the check. The campaign stated they were unaware that one of the individuals named on the check had passed away, and attributed the contribution according to PDC reporting guidelines. The campaign noted that, upon learning of the individual's passing, they refunded the portion attributed to the deceased individual on October 30, 2024.

Lawrence Patrick Hughes, Case 161712

- According to Nathan Alexander, legal counsel for Mr. Hughes, Mr. Hughes and Mary Ellen Hughes
 ("Mrs. Hughes"), throughout their life together, consistently gave to a variety of charitable causes,
 including to political candidates and causes, and they frequently supported the same
 candidates/causes. After Mrs. Hughes' passing in October 2023, Mr. Hughes continued his
 philanthropic efforts and political giving.
- Mr. Alexander stated that Mr. Hughes asked Chris Hendley, family assistant, to send out his usual checks for campaign contributions. Mr. and Mrs. Hughes had joined their finances during their marriage and issued checks bearing both of their names. He said Mr. and Mrs. Hughes' usual practice was to donate their legal maximum together on one check. Though written in one amount on one check, the total was split in half and treated as their separate contributions, consistent with their individual legal contribution limits. Mr. Alexander noted that, due to Mrs. Hughes' passing, many of Mr. Hughes' unused checks still bore Mrs. Hughes' name together with his own. He said when Ms. Hendley sent out Mr. Hughes' "usual" donations, she sent out checks for \$4,800—as she had previously done when Mrs. Hughes was alive. Mr. Alexander said these

- once-usual checks, unbeknownst to Mr. Hughes and Ms. Hendley, accidentally took Mr. Hughes' contributions above the allowable level for 2024 for contributions to the Reichert campaign.
- Mr. Alexander stated that Mr. Hughes also issued a single \$100,000 check to Let's Go Washington Sponsored by Brian Heywood, on July 25, 2024, but because of Mr. Hughes' joint donation history with Mrs. Hughes—and because Mr. Hughes' checkbook still included her name—Let's Go Washington Sponsored by Brian Heywood appears to have erroneously recorded that single \$100,000 donation from Mr. Hughes as two \$50,000 donations, one from Mr. Hughes and one from Mrs. Hughes.
- Mr. Alexander stated that Mr. Hughes has been a frequent campaign donor for more than thirty years, and this is the first time he has been accused of making contributions over legal limits or of concealing a contribution's source. He said Mr. Hughes had no intention of circumventing campaign finance law and that any overpayment was an honest mistake stemming from a simple misunderstanding between Mr. Hughes and his assistant during a time when Mr. Hughes was adjusting to his newfound life as a widower after 65 years of marriage. Mr. Alexander said everyone involved is confident that this first-time offense will be an only-time offense.

Based on these findings, staff has determined that in this instance, attributing contributions to an individual who, unbeknown to Let's Go Washington Sponsored by Brian Heywood, Dave Reichert, and Jaime Herrera-Beutler, was deceased, and the failure of Lawrence Patrick Hughes to clearly state who the contributions should be attributed to, and inadvertently making a \$2,400 over-limit contribution to the Dave Reichert campaign, does not amount to a finding of a violation warranting further investigation for Let's Go Washington Sponsored by Brian Heywood, Dave Reichert, Jaime Herrera-Beutler, and Lawrence Patrick Hughes.

However, staff is reminding Lawrence Patrick Hughes about the importance of clearly stating to the recipient of a campaign contribution to whom the contribution should be attributed when it is not obvious, and to carefully assess whether a contribution may be over the required limits.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter concerning the named Respondents in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,

Electronically Signed Philip E. Stutzman

Phil Stutzman

Compliance Officer

Endorsed by,
Electronically Signed Kim Bradford
Kim Bradford
Deputy Director
For Peter Frey Lavallee
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cc: Let's Go Washington Sponsored by Brian Heywood; Dave Reichert; Jaime Herrera-Beutler; and Lawrence Patrick Hughes