

Whatcom Republicans File Public Disclosure Complaint against RE Sources for Sustainable Communities

Following is a copy of the Complaint filed by Charlie Crabtree Chairman of the Whatcom County Republican Party.

September 03, 2015

Tony Perkins, Interim Director of Compliance
Washington State Public Disclosure Commission
P.O. Box 40908
Olympia, WA 98504-0908

RE: Unreported political campaign activity by RE Sources for Sustainable Communities

Dear Mr. Perkins:

It has come to my attention that RE Sources for Sustainable Communities (RE Sources) has for many weeks been engaging in a political campaign to influence the outcome of at least two and possibly several additional measures appearing on the ballot in the November 3, 2015 General Election in Whatcom County. To date no aspect of this campaign(s) has been disclosed to the public through the Public Disclosure Commission (PDC) in violation of numerous provisions of the Public Disclosure Act.

Background

RE Sources is a 501c3 charitable organization based in Bellingham, Washington. The latest available financial information from the Washington Secretary of State's office indicates that RE Sources took in more than \$2.1 million in revenue in its last fully reported fiscal year. (Att. 1) RE Sources has at least 12 employees. (Att. 2)

On July 6, 2015 the Whatcom County Charter Review commission voted to send what is now Proposition 1 to the County Council for inclusion on the ballot for the November 3, 2015 General Election in Whatcom County. If approved, Proposition 1 would amend the county charter concerning the method of electing County Council members by providing for the election of county council members by voters only from within the district from which the candidate was nominated. (Att. 3)

On Tuesday, July 7, 2015, the Whatcom County Council adopted ordinance 2015-029 which placed Proposition 9 on the ballot in Whatcom County for the November 3, 2015 general election. If approved, Proposition 9 would amend the county charter concerning the number of Whatcom County council positions and at-large positions by providing for five districts and two at-large council seats from three districts and one at-large seat under current law. (Att. 4)

On July 9, 2015, RE Sources sent a blast email appeal to supporters and other members of the community to "defeat the coal industry and their district-only voting measure" and to "Give today so we can get out the vote for 5 Fair and Equal Districts".

(Att. 5) Further, the email implores the recipient to "...make a gift right now so we can build our war chest and launch an aggressive get-out-the-vote campaign" and "...a lot has to happen now to make sure we are organized and ready to go. This includes recruiting volunteers, identifying key precincts, securing walking lists, purchasing ad time, printing mailers, registering new voters, and hosting public forums." Finally, the email states "At Tuesday night's County Council meeting, Council members voted 6 to 1 to put **our** (*emphasis added*) five fair and equal voting districts on November's ballot. This victory is your victory: you signed the Petition, you spread the word, and you submitted public comments in support of our measure."

On July 25, 2015, RE Sources posted a photo on Facebook of staff and/or volunteers with a large poster promoting Proposition 9 at the Bellingham Farmers Market. (Att.6) The poster asks the recipient to "Mail in your ballot by Tuesday Nov 3". Other materials promoting Proposition 9 are also visible at the RE Sources table.

On or about August 14, 2015, a page found on the RE Sources website described the campaign to get Proposition 9 on the ballot including signature gathering and lobbying the county council. (Att.7) In addition, the page described orientations to be held on June 27, 2015 indicating that this page had been in existence well before then.

On August 15, 2015, a brochure with the caption "5 districts is more fair & equal no matter where you live." was distributed by a staff member or volunteer at the RE Sources booth at the Bellingham Farmers Market. (Att. 8) In addition to other information supporting Proposition 9, the brochure also asks the recipient to "Mail in your ballot by Tuesday Nov 3". The brochure includes the disclaimer "Paid for by RE Sources for Sustainable Communities".

Violations of the Public Disclosure Act

1. RE Sources is a political committee and has not filed as such with Public Disclosure Commission.

RCW 42.17A.005 (37) defines a political committee as:

"...any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition."

Further, RCW 42.17A.005 (36) defines political advertising as:

"...any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign."

The communications and activities described in the attached evidence clearly support Proposition 9 as adopted by the Whatcom County Council as well as opposing Proposition 1, and therefore constitute political advertising. In addition, RE Sources has solicited funds for this campaign as described in its July 19, 2015 email. Presumably it has received funds from this solicitation and other solicitation efforts and deposited these funds in its general fund for that purpose. Finally, in the July 19th email, RE Sources pledges to engage in a number of the activities cited in RCW 42.17A.005 (36) above.

2. RE Sources is at least five weeks late in filing as a political committee.

RCW 42.17A.005 (205) requires every political committee to file a statement of organization with the commission and that it be filed:

“... within two weeks after the date the committee first has the expectation of receiving contributions or making expenditures in any election campaign, whichever is earlier.”

At a minimum, RE Sources began acting as a political committee with its July 9, 2015 email soliciting funds for election activity. But it is very likely the expectation of receiving contributions or making expenditures in an election campaign occurred far earlier given that Proposition 9 was largely constructed and promoted by RE Sources through direct lobbying as well as grassroots lobbying activities – indeed, it considers Proposition 9 is at its own measure (see July 9, 2015 email, Att. 5 and webpage capture, Att. 7).

3. RE Sources has deprived the public of the opportunity to have access to crucial information about the nature of the campaign they are running.

A political committee is required to file a variety of forms disclosing who controls its political activity, who or what persons finance that activity, and ultimately, what activity takes place:

- A. RE Sources has filed no C-1 or C1PC disclosing who controls the political activity in question nor the ultimate breadth of its activities – the public has no idea whether this committee will be supporting or opposing one, two, or more ballot measures.
- B. RE Sources has filed no C-3 reports disclosing who is financing its election activities, whether earmarked or otherwise, when those contributions were received, the amount of those contributions, and where these donors come from, whether local, regional, from Washington state, or out-of-state. California billionaire Tom Steyer has contributed hundreds of thousands of dollars to political committees in Whatcom County over the last two years. His funds may be involved in this effort but the lack of transparency prevents the public from having this information.
- C. RE Sources has filed no C-4 reports detailing expenses such as fundraising, voter contact, voter identification, data acquisition, staff, attorneys, and consultants. For example, in the brochure picked up August 15th alone (Att. 8) expenses should include printers, copy writers, graphic designers, and consultants, and maybe more.

- D. RE Sources has not disclosed the value of any inkind goods or services contributed to its political activity by the organization itself. Such services might include management or staff time and expenses such as office space, the use of office machines, P.O. boxes, and other overhead expenses.

If RE Sources had properly filed as a political committee when it had the expectation of receiving or making contributions, at least one C-1 report, multiple C-3 reports, and one or more C-4 reports would have been filed and made available to the public by this point.

Conclusion

The evidence proves unequivocally that RE Sources is an unfiled political committee and that it has conducted substantial undisclosed election activity for several weeks. In addition, there is every indication that RE Sources plans to continue this completely undisclosed political campaign through the November 3, 2015 General Election. Accordingly, the PDC should find RE Sources and its officers in violation of multiple provisions of the Public Disclosure Act and assess multiple penalties.

In addition, because no aspect of this political or election activity has been disclosed and would not be disclosed but possibly for the notice this complaint will serve, the PDC should fully investigate RE Sources, requiring RE Sources to preserve and disclose all financial records and receipts of any kind to the PDC for 2015 calendar year to ensure any remedial disclosure is full and complete.

Sincerely,



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