

STATE OF WASHINGTON PUBLIC DISCLOSURE COMMISSION

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October 19, 2016

The Honorable Robert Ferguson Attorney General 1125 Washington St SE PO Box 40100 Olympia, WA 98504-0100

RE: Washington State Public Disclosure Commission Recommendation Following Staff Review - Freedom Foundation, PDC Case No. 8336

Dear Attorney General Ferguson:

This letter concerns a 45-Day Citizen Action Complaint filed with the Washington State Attorney General and Thurston County Prosecutor on August 30, 2016 by Dmitri Iglitzin and Laura Ewan on behalf of the Campaign to Prevent Fraud and Protect Seniors, alleging violations of RCW 42.17A by the Freedom Foundation. The Complaint alleged that the Freedom Foundation failed to file special C-6 reports disclosing independent expenditure activity in opposition to statewide Initiative 1501, an alleged violation of RCW 42.17A.255 and WAC 390-16-063. The Notice further alleged that Freedom Foundation is a political committee under the "maker of expenditures" prong of the statutory definition of that term, and failed to register as required under RCW 42.17A.205 and report expenditures as required under RCW 42.17A.225¹.

PDC staff reviewed the Complaint and prepared a Report of Investigation, an Addendum to the Report of Investigation, and an Executive Summary and Staff Analysis concerning the alleged violations by the Freedom Foundation. The Commission considered the results of staff's review at a special telephonic Commission meeting held on October 19, 2016, where staff presented its Executive Summary and Staff Analysis which included a recommendation regarding the allegations. A copy of the Executive Summary and Staff Analysis is enclosed with this letter.

Staff Conclusion

As noted in the attached Executive Summary and Staff Analysis, staff concluded that:

The Freedom Foundation violated RCW 42.17A.255 by failing to disclose or timely disclose independent expenditure activity opposing Initiative 1501 in C-6 filings. Staff concluded that the

¹ RCW 42.17A.225 provides contribution and expenditure disclosure requirements for a continuing political committee. PDC staff reviewed the evidence for indications that the Freedom Foundation met the statutory definition of a political committee, and so was required to report under any political committee reporting provision of RCW 42.17A, including RCW 42.17A.225, RCW 42.17A.235, and RCW 42.17A.240.

The Honorable Bob Ferguson Freedom Foundation, PDC Case No. 8336 October 19, 2016 Page 2

evidence does not support the allegation that the Foundation meets the definition of a political committee, or that it failed to comply with political committee registration and reporting requirements.

Commission Recommendation

By a unanimous vote, the Commission adopted a motion to return the Complaint to the Washington Attorney General with a recommendation to take legal action as appropriate concerning the allegations. The Commission explained that this motion was based on the facts identified in staff's limited review of the allegations in the time afforded under the Citizen Action provisions of RCW 42.17A.765(4).

If you have questions, please contact me at (360) 664-2735. Thank you.

Sincerely,

Evelyh Fielding La **Executive Director**

Enclosure

cc: Commissioners
Linda A. Dalton, Sr. Assistant Attorney General
Greg Overstreet, Managing Attorney, Freedom Foundation
Dmitri Iglitzin and Laura Ewan, counsel to the Campaign to Prevent Fraud and Protect
Seniors