



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Government Compliance & Enforcement Division
PO Box 40100 • Olympia, WA 98504-0100 • (360) 664-9006

October 14, 2015

Dmitri Iglitzin
Schwerin Campbell Barnard Iglitzin & Lavitt LLP
18 W Mercer St, Suite 400
Seattle, WA 98119

Mark Lamb
The North Creek Law Firm
12900 NE 180th St, Suite 235
Bothell, WA 98011-5773

Re: Citizen Action Notice against Freedom Foundation

Dear Counsel:

I am writing to advise you of the Attorney General's Office decision regarding the Committee for Transparency in Election's (CFTE) allegations that the Freedom Foundation violated certain campaign finance laws. The AGO conducted an investigation, which included a review of records and interviews with the ballot measure proponents and numerous Freedom Foundation staff. The investigation report is enclosed.

The CFTE's Citizen Action Notice alleged that the Freedom Foundation violated state campaign finance laws by (1) failing to report independent expenditures (the value of legal services) it made to support ballot propositions in the cities of Sequim, Shelton, and Chelan; 2) failing to report expenditures made to support Initiatives 1351, 517, and 522; and 3) failing to register and report as a political committee based on its solicitation of contributions.

As to Allegation 1, the evidence supports filing a court action that the Freedom Foundation did not report its staff time and resources used to provide legal services to ballot measure proponents to support the placement of propositions on local ballots. As a result, the State has filed a complaint against the Freedom Foundation. A copy is enclosed.

With respect to Allegation 2, the evidence confirms that the Freedom Foundation did not make any monetary contributions to the identified state-wide initiatives. The investigation also reviewed the Freedom Foundation Informed Voter Guide 2013. The AGO engaged a review by

ATTORNEY GENERAL OF WASHINGTON

Dmitri Iglitzin
Mark Lamb
October 14, 2015
Page 2

the Public Disclosure Commission staff of the guide. As you both know, the PDC staff routinely review proposed voter guides to provide feedback about whether a guide is objective as opposed to an advocacy piece. In that review, the staff concluded that the language identified in the Citizen Action Notice as "positive" or "negative" about the two state-wide initiatives (I-517 and I-522) was objective and did not trigger an independent expenditure reporting responsibility for the Freedom Foundation. We agree with the Commission staff.

Finally, with respect to Allegation 3, the evidence confirmed that the Freedom Foundation's fundraising activities were not targeted to support its legal work on behalf of the ballot propositions identified above. They did not constitute a solicitation for contributions in support of or in opposition to a ballot proposition. Consequently, they did not create a registration and reporting responsibility for the Freedom Foundation.

With these decisions, the Attorney General's Office on behalf of the State of Washington has acted on CFTE's allegations. If you have any questions, please do not hesitate to call me.

Sincerely,



LINDA A. DALTON
Senior Assistant Attorney General

LAD/jf
Enclosure

cc: Bob Ferguson, Attorney General, w/o enclosure
David Horn, Chief Deputy Attorney General w/o enclosure
Christina Beusch, Deputy Attorney General w/o enclosure
Jon Tunheim, Thurston County Prosecuting Attorney w/enclosure
Evelyn Lopez, Executive Director – Public Disclosure Commission w/enclosure