



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: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

December 20, 2018

Sent electronically to Daniel Mitchell at dan@sporting-systems.com

Subject: Systems Group Corp. of WA DBA Sporting Systems, PDC Case 41287

Mr. Mitchell:

Below is a copy of an electronic letter sent to Michael Maddux concerning a complaint he filed with the Public Disclosure Commission (PDC) on September 26, 2018. The complaint alleged that Systems Group Corporation of Washington DBA Sporting Systems (SGCWDSS), may have violated RCW 42.17A by failing to register and report as a political committee disclosing contribution and expenditure activities in opposition to Initiative 1639, a statewide ballot proposition, and failure to include the sponsor identification on political advertising in opposition to I-1639.

As noted in the letter to Mr. Maddux, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter. However, PDC staff is reminding the SGCWDSS of the importance of identifying the sponsor on political advertising, including the use of "Paid for" or "Sponsored by" and the complete mailing address, on all future political advertisements undertaken by SGCWDSS to oppose or support a ballot proposition or candidate for public office.

Accordingly, the PDC has dismissed this complaint in accordance with RCW 42.17A.755(1).

If you have questions, you may contact me at (360) 586-2869, toll-free at 1-877-601-2828, or by e-mail at erick.agina@pdcc.wa.gov.

Sincerely,

Endorsed by:

Erick Agina
PDC Compliance Officer

BG Sandahl, Deputy Director for
Peter Lavalley, Executive Director



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December 20, 2018

Sent electronically to Michael Maddux at michaeljmaddux@gmail.com

Subject: Systems Group Corp. of WA DBA Sporting Systems, PDC Case 41287

Dear Mr. Maddux:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on September 26, 2018. The complaint alleged that Systems Group Corporation of Washington DBA Sporting Systems (SGCWDSS), may have violated RCW 42.17A by failing to register and report as a political committee disclosing contribution and expenditure activities in opposition to Initiative 1639, a statewide ballot proposition, and failure to include the sponsor identification on political advertising in opposition to I-1639.

PDC staff reviewed the allegations listed in the complaint to determine whether a formal investigation or enforcement action is warranted. Staff reviewed all the exhibits submitted with the complaint, and the response letter received via email from Daniel Mitchell with the SGCWDSS. Based on staff's review, we found the following:

- On June 27, 2018, Washingtonians and the National Rifle Association for Freedom filed a Committee Registration (C-1pc report) as a New Ballot Committee opposed to Initiative 1639 (No on I-1639), a statewide ballot proposition concerning the regulation and storage of guns.
- SGCWDSS (Sporting Systems) is a specialty gun store located in Vancouver, Washington, that offers a wide variety of common and specialty firearms for new and seasoned shooting enthusiasts.
- Staff's review found that the SGCWDSS is a gun store that printed 10,000 small brochures costing \$287 in opposition to (I-1639), and distributed the brochures to customers, interested entities and members of the public between September 7, 2018 and November 5, 2018. The brochure stated at the bottom "Printed & Distributed by Sporting Systems."
- SGCWDSS also contributed beverages at an event that was hosted and paid for by the National Rifle Association (NRA) at the Vancouver Hilton on September 13, 2018. Mr. Mitchell stated that SGCWDSS did not sponsor or host the event, and only

provided free beverages which they reported as a \$218 in-kind contribution to the I-1639 Committee.

- SGCWDSS made several additional in-kind contributions to the No on I-1639 Committee totaling \$6,152 during the course of the 2018 election.
- Finally, staff's review found that the brochure distributed by SGCWDSS contained the words "Printed & Distributed by Sporting Systems" but failed to include the words "Paid for" or "Sponsored by" or the complete mailing address as required by law.

Staff's review found that SGCWDSS did not solicit or accept contributions from the public in order to make the expenditures in opposition to I-1639, and there was no expectation of receiving any contributions from the public. Therefore, SGCWDSS was not a political committee. In addition, as noted above SGCWDSS made several in-kind contributions to the Committee, so the expenditures were not independent expenditures required to have been disclosed on a C-6 report.

PDC staff found no evidence of a material violation that would require conducting a more formal investigation into your complaint or pursuing enforcement action in this instance. Staff has reminded SGCWDSS of the importance of including the complete sponsor identification, including the sponsor's complete mailing address on all political advertising undertaken in future years, should SGCWDSS decide to oppose or support a ballot initiative or candidate for public office.

Based on the above, the PDC has dismissed your complaint in accordance with RCW 42.17A.755(1).

If you have questions, you may contact me at (360) 586-2869, toll-free at 1-877-601-2828, or by e-mail at erick.agina@pdc.wa.gov.

Sincerely,

Endorsed by:

Erick Agina
PDC Compliance Officer

BG Sandahl, Deputy Director for
Peter Lavalley, Executive Director

cc: Systems Group Corp. of WA DBA Sporting Systems