

1
2
3
4
5
6
7 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
8 **OF THE STATE OF WASHINGTON**

9 In re the Matter of Enforcement Action
10 Against:

11 UNITED FOOD AND COMMERCIAL
12 WORKERS 21, POLITICAL ACTION
13 COMMITTEE,

14 Respondent.

PDC CASE NO. 42719

FINAL ORDER

15 **I. INTRODUCTION**

16 This matter was heard by the Washington State Public Disclosure Commission
17 (Commission) on February 28, 2019, at the Public Disclosure Commission Office, 711 Capitol
18 Way, Room 206, Olympia, Washington 98504. The hearing was held pursuant to Chapter 34.05
19 RCW, Chapter 42.17A RCW, and Chapter 390-37 WAC.

20 Commissioners present were Anne Levinson, Commission Chair (presiding); David
21 Ammons, Commission Vice-Chair; Commissioner William Downing, and Commissioner
22 Russell Lehman. Also present were Assistant Attorney General John S. Meader representing
23 the Commission; Kurt Young, Compliance Officer on behalf of PDC Staff; and Assistant
24 Attorney General Chad Standifer representing PDC Staff. Respondent Representative Sarah
25 Cherin, Special Assistant to the President, attended in-person and was represented by the
26 Committee's Attorney, Dimitri Iglitzin. The proceeding was open to the public and recorded.

The hearing concerned allegations that Respondent United Food and Commercial

1 Workers 21 PAC (Respondent, Committee) violated RCW 42.17A.235 and .240 by failing to
2 timely file C-4 reports for monetary contributions in 2017 totaling \$284,564 and expenditures
3 made totaling \$279,076, and by failing to timely file C-3 reports in 2017 totaling \$253,210.

4 The Commissioners had before them the following materials:

- 5 • Report of Investigation prepared by PDC Compliance Officer Kurt Young, dated February
6 13, 2018, which included:
 - 7 ○ Three Committee registrations (C-1 pc reports) filed by the Committee on
8 March 21, 2016; July 18, 2017, and March 8, 2018;
 - 9 ○ October 29, 2018 complaint filed by Glen Morgan against the Committee.
 - 10 ○ 2017 C-4 reports filed by the Committee;
 - 11 ○ 2017 C-3 reports filed by the Committee;
 - 12 ○ December 20, 2018, letter from Jason Bennett with Argo Strategies
13 submitted on behalf of the Committee.
- 14 • Proposed Stipulation as to Facts, Violations, and Penalty submitted by the parties, signed on
15 February 28, 2019.

16 II. STIPULATION

17 The parties jointly submitted a signed Stipulation as to Facts, Violations, and Penalty
18 (Stipulation). Mr. Standifer presented the Stipulation, reviewed the aggravating and mitigating
19 factors, summarized cases with comparable fact-patterns and penalties that had been imposed by
20 the Commission in those cases, and asked the Commission to accept the Stipulation. Dimitri
21 Iglitzin, on behalf of the Committee, explained the factors that had led to the late filings, accepted
22 responsibility on behalf of the Committee, and also asked the Commission to accept the
23 Stipulation.

24 The Commission voted 4-0 to accept the Stipulation.

25
26 ///

III. FINDINGS OF FACT

1
2
3 1. United Food and Commercial Workers 21 PAC (Committee) is a continuing political
4 committee registered with the PDC and has been filing reports with the PDC since July 28, 2009.
5 The Committee is sponsored by and affiliated with UFCW Local 21.

6 2. The Committee filed an amended Committee Registration (C-1 pc report) with the
7 PDC as a continuing committee under the Full Reporting Option on March 11, 2016; July 18,
8 2017; and March 8, 2018.

9 3. On August 24, 2018, the Committee filed 12 Summary Campaign Contribution and
10 Expenditure Reports (C-4 reports) covering the period from January 1, 2017 to December 31,
11 2017, disclosing \$284,564 for total monetary and in-kind contributions received, including
12 \$22,528 in leftover or surplus committee funds from calendar year 2016 as the beginning
13 balance, and \$279,076 in total expenditures made.

14 4. The \$279,076 in expenditures made by the Committee in 2017 were disclosed between
15 226 to 501 days late and 289 days after the November 7, 2017 general election. The expenditures
16 made by the Committee on the late C-4 reports included the following and in-kind contributions.

17 • \$145,000 in expenditures for monetary contributions made to seven other
18 political committees that included: \$75,000 for two monetary contributions made to
19 Working Families for Teresa Mosqueda, an independent expenditure political committee
20 registered with the PDC, in support of Teresa Mosqueda, a 2017 candidate for Seattle
21 City Council; a \$17,500 monetary contribution to Together for Tacoma; a \$15,000
22 monetary contribution to One America Votes Justice Fund; a \$15,000 monetary
23 contribution made to Our Vote Counts; a \$10,000 monetary contribution made to Fuse
24 Voices; a \$10,000 monetary contribution made to Political Destiny; and a \$2,500
25 monetary contribution made to Working Families of Tacoma. Each of the seven political
26 committees participated in the 2017 elections by making contributions, independent

1 expenditures or electioneering communications, or producing and distributing a Voter
2 Guide.

3 • \$80,000 for three monetary contributions made to New Directions PAC, a
4 continuing political committee that made contributions to other political committees
5 during the 2017 primary and general elections, conducted research and polling, and
6 engaged in issue advocacy and other activities, largely directed at the 2017 Senate special
7 election in the 45th Legislative District.

8 • \$44,600 for monetary contributions made to 2017 candidates for local and
9 legislative offices.

10 • \$8,825 for in-kind contributions made to the Committee from UFCW Local 21
11 for the staff and overhead costs of running the Committee.

12 5. The Committee failed to file any C-3 reports during the calendar year 2017 for
13 monetary contributions received and deposited in the committee bank account during the year.

14 6. On August 24, 2018, the Committee filed nine C-3 reports covering the period January
15 1, 2017 through December 31, 2017, disclosing \$253,210 in monetary contributions received
16 and deposited into its bank account that included \$252,000 in monetary contributions received
17 from UFCW Local 21 in six non-recurring increments during the year.

18 7. Two of the C-3 reports disclosed small contributors totaling \$110 and \$100
19 respectively, to qualify the committee to make contributions to Washington State Legislative
20 and Executive candidates in accordance with RCW 42.17.405, and one C-3 report disclosed a
21 \$1,000 refund of a contribution made to a candidate.

22 8. The C-3 reports were filed by the Committee between 226 to 501 days late.

23 9. In March, 2018, the Committee retained Argo Strategies, a full-service political
24 consulting firm specializing in general consulting, treasury and compliance, fundraising, and
25 websites, to conduct an internal review of the Committee's PDC filings. Argo reviewed the
26 current status of the Committee's books of account. After discovering a lack of internal controls,

1 the Committee took immediate corrective action, including personnel action, and filed the C-3
2 and C-4 reports to bring the Committee's 2018 filing into compliance.

3 10. The Committee filed each of the required reports in August 2018, two months before
4 a complaint was filed against them.

5 11. The Committee has worked with PDC Staff to come into compliance with all
6 reporting requirements and has not been the subject of any prior enforcement actions.

7 12. Due to the violations, the public was deprived of critical campaign finance
8 information for all of calendar year 2017, including the 2017 election cycle, involving \$277,000
9 in contributions to candidates and political committees that made independent expenditures or
10 electioneering communications. The Respondent is an experienced political committee that has
11 been filing C-3 and C-4 reports since 2009. UFCW Local 21 has resources available to comply
12 with the reporting requirements for its Committee in accordance with Chapter 42.17A RCW and
13 Title 390 WAC.

14 **IV. CONCLUSIONS OF LAW**

15 1. The Commission has jurisdiction over this proceeding pursuant to Chapter 42.17A
16 RCW, the State campaign finance and disclosure law; Chapter 34.05 RCW, the Administrative
17 Procedure Act; and Title 390 WAC.

18 2. In 2017 the Committee violated RCW 42.17A.235 and .240 by failing to timely file
19 Summary Campaign Contribution and Expenditure Reports (C-4 reports) totaling \$284,564 for
20 total contributions received which included \$22,528 in 2016 surplus committee funds carried
21 forward, and \$279,076 in total expenditures made.

22 3. The 2017 the Committee violated RCW 42.17A.235 and .240 by failing to timely file
23 Monetary Contribution reports (C-3 reports) disclosing \$253,210 in monetary contributions
24 received during calendar year 2017.

25 **V. ORDER**

26 Based upon the stipulated Findings and Conclusions, the Commission accepts the

1 Stipulation of the parties and orders that:

- 2 1. Respondent United Food and Commercial Workers 21 PAC is assessed a total
3 civil penalty of \$40,000, with \$20,000 suspended, on the following conditions:
4 a. The Respondent is not found to have committed any further violations of
5 Chapter 42.17A RCW or Title 390 WAC within four years of the date of
6 the Final Order in this matter.
7 b. The Respondent remains in compliance with all PDC reporting
8 requirements.
9 c. The non-suspended portion of the penalty (\$20,000) is paid by the
10 Respondent within 30 days of the date of the Final Order in this matter.
11 2. If the Respondent fails to comply with any of the conditions of this Order, the
12 suspended portion of the penalty shall immediately become due without further
13 action by the Commission.

14 So ORDERED this 19th day of March, 2019.

15 WASHINGTON STATE PUBLIC
16 DISCLOSURE COMMISSION

17 FOR THE COMMISSION:

18 
19 _____

20 Anne Levinson
21 Chair, Public Disclosure Commission

22 *Copy of this Order mailed and/or emailed to:*

23 Dimitri Iglitzin, Attorney for UFCW 21 PAC
24 18 West Mercer St., Ste. 400
25 Seattle, WA 98119
26 (Iglitzin@workerlaw.com)

25 Kurt Young, PDC Staff (kurt.young@pdc.wa.gov)
26 Chad Standifer, Assistant Attorney General, Counsel for PDC Staff (ChadS@atg.wa.gov)

I, _____, certify that I mailed a copy of this order to the Respondent/
Applicant at his/her respective address postage pre-paid on the date stated herein.

Signed

Date

NOTICE: RECONSIDERATION

Pursuant to the provisions of RCW 34.05.470 and WAC 390-37-150, you may file a Petition for Reconsideration with the PDC within ten (10) days from the date this Final Order is served upon you. Any Request for reconsideration must state the specific grounds for the relief requested. Petitions must be delivered or mailed to the Washington State Public Disclosure Commission, 711 Capitols Way, Room 206, Box 40908, Olympia WA 98504-0908.

NOTICE: PETITION FOR JUDICIAL REVIEW

You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for Judicial Review provisions of RCW 34.05.542. Any Petition for Judicial Review of this Final Order must be filed with the court and also served upon both the Commission and the Office of the Attorney general within thirty (30) days after the date this Final Order is served upon you.