

**BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON**

In the Matter of Enforcement Action  
Against:

UFCW Local 21 PAC

Respondent.

Case No. 42719

STIPULATION AS TO  
FACTS, VIOLATIONS AND  
PENALTY

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Peter Lavallee, and Respondent United Food and Commercial Workers Local 21 PAC through Dmitri Iglitzin, legal counsel submit this Stipulation as to Facts, Violations and Penalty in this matter. The parties agree that the Commission has the authority to accept, reject or modify the terms of this Stipulation. The parties further agree that in the event the Commission suggests modification to any term of this agreement, each party reserves the right to reject that modification. In the event either party rejects a modification, this matter will proceed to hearing before the Commission.

**JURISDICTION**

The Public Disclosure Commission has jurisdiction over this proceeding pursuant to RCW 42.17A, the state campaign finance and disclosure laws; RCW 34.05, the Administrative Procedure Act; and WAC 390.

**FACTS**

The United Food & Commercial Workers (UFCW) 21 PAC is a continuing political committee registered with the Public Disclosure Commission (PDC) and has been filing reports with the PDC since July 28, 2009. The UFCW 21 PAC (Committee) is sponsored by and affiliated with the UFCW Local 21.

1. On March 11, 2016, the Committee filed an amended Committee Registration (C-1pc report) with the PDC as a continuing committee, selecting the Full Reporting Option and listing Todd Crosby as President, Sarah Cherin as Committee Manager, and Faye Guenther as Treasurer.

2. On July 18, 2017, the Committee filed an amended C-1pc report with the PDC as a continuing committee under the Full Reporting Option, and listing Mr. Crosby as President and Ms. Guenther as Treasurer, and adding James To as Committee Manager.
3. On March 8, 2018, the Committee filed an amended C-1pc report with the PDC as a continuing committee under the Full Reporting Option, listing Mr. Crosby as President, and changing Ms. Guenther from Treasurer to Committee Manager, and listing Jason Bennett as a non-ministerial Treasurer. James To was not listed in the amended C-1pc report.

**Failure to timely file C-4 reports:**

4. On August 24, 2018, the Committee filed 12 Summary Campaign Contribution and Expenditure Reports (C-4 reports) covering the period January 1, 2017 through December 31, 2017, disclosing \$284,564 for total monetary and in-kind contributions received, including \$22,528 in leftover or surplus committee funds from calendar year 2016 as the beginning balance, and \$279,076 in total expenditures made.
5. The \$279,076 in expenditures made by the Committee in 2017 were disclosed between 226 to 501 days late and 289 days after the November 7, 2017 general election was held. The expenditures made by the Committee included the following monetary and in-kind contributions:
  - \$145,000 in expenditures for monetary contributions made to seven other political committees, that included: (1) \$75,000 for two monetary contributions made to Working Families for Teresa Mosqueda, an independent expenditure political committee registered with the PDC in support of Teresa Mosqueda, a 2017 candidate for Seattle City Council; (2) a \$17,500 monetary contribution to Together for Tacoma; (3) a \$15,000 monetary contribution to One America Votes Justice Fund; (4) a \$15,000 monetary contribution made to Our Vote Counts; (5) a \$10,000 monetary contribution made to Fuse Votes; (6) a \$10,000 monetary contribution made to Political Destiny; and (7) a \$2,500 monetary contribution made to Working Families of Tacoma.

Each of the seven political committees participated in the 2017 elections by making contributions, independent expenditures or electioneering communications, and/or producing and distributing a Voter Guide.

- \$80,000 for three monetary contributions made to New Directions PAC, a continuing political committee that made contributions to other political committees during the 2017 primary and general elections (including the Eastside Leadership Council and Mainstream Voters of Washington), conducted research and polling, and engaged in issue advocacy and other activities, largely directed at the 2017 Senate special election in the 45th Legislative District.
- \$44,600 for monetary contributions made to 2017 candidates for local and legislative offices.
- \$8,825 for in-kind contributions made to the Committee for UFCW Local 21 for the staff and overhead costs of running the PAC.

**Failure to timely file C-3 reports:**

6. The vast majority of the contributions received by the Committee are from UFCW Local 21.
7. The Committee failed to file any C-3 reports during calendar year 2017 for monetary contributions received and deposited in the committee bank account during the year.
8. On August 24, 2018, the Committee filed nine C-3 reports covering the period January 1, 2017 through December 31, 2017, disclosing \$253,210 in monetary contributions received and deposited into the bank account, that included \$252,000 in monetary contributions received from UFCW Local 21 Union in six non-recurring increments during the year.
9. Two of the C-3 reports disclosed small contributors totaling \$110 and \$100 respectively, to qualify the committee to make contributions to Washington State Legislative and Executive candidates in accordance with RCW 42.17A.405, and one C-3 report disclosed a \$1,000 refund of a contribution made to a candidate. The C-3 reports were filed by the Committee between 226 to 501 days late.

**Committee Response**

10. In March of 2018, the Committee retained Argo Strategies (Argo), a full-service political consulting firm specializing in general consulting, treasury and compliance, fundraising, and websites, to conduct an internal review of the Committee's PDC filings.

11. Argo also reviewed the current status of the Committee's books of account after it was discovered there was a breakdown in the Committee's internal controls for complying with PDC political committee reporting requirements for 2017. Upon discovering its lack of internal controls, the Committee took immediate corrective action, including personnel action and filing the C-3 and C-4 reports to bring the Committee's 2018 filing into Compliance.
12. The Committee filed each of the required reports in August 2018, two months before a complaint was filed against them.
13. The Committee has no prior PDC violations, and since Argo was retained, the Committee has timely and accurately filed its 2018 contribution and expenditure reports.

#### **Factors in Mitigation**

14. The Committee discovered the failure to C-3 and C-4 reports and filed the missing reports prior to the complaint being filed.
15. The Committee has no prior PDC violations since registering and reporting as a political committee with the PDC in 2009.

#### **Factors in Aggravation**

16. The public was deprived of significant Committee campaign finance information for all of calendar year 2017 including the 2017 election cycle, involving \$277,000 in contributions to candidates and political committees that made independent expenditures or electioneering communications.
17. The Committee is affiliated with the UFCW Local 21, a local labor union, and is an experienced political committee that has been filing C-3 and C-4 reports dating back to 2009.
18. UFCW Local 21 has resources available to comply with the reporting requirements for its Committee in accordance with RCW 42.17A and WAC 390.

### **STATUTORY AND RULE AUTHORITY**

**RCW 42.17A.235** and **RCW 42.17A.240** requires political committees registered under the Full Reporting Option to file timely, accurate reports of contributions and expenditures, including monthly C-3 and C-4 reports which are required when contributions or expenditures exceed \$200 since the last report was filed.

Accelerated reporting begins five months prior to an election, and requires weekly C-3 reports to be filed if contributions are received, and the C-4 reports are required to be filed on the twenty-first day and the seventh day immediately preceding the date on which the election is held, and a post-election C-4 report is required on the tenth day of the first month after the election.

### VIOLATIONS

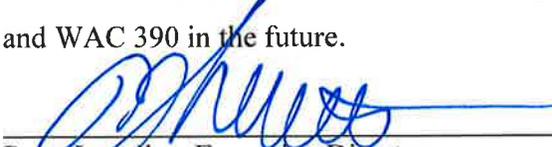
Based on the Stipulation of Facts set forth above, the Committee stipulates to the following:

- 1 The Committee violated RCW 42.17A.235 and .240 by failing to timely file Monetary Contribution reports (C-3 reports) disclosing \$253,210 in monetary contributions received during calendar year 2017.
- 2 The Committee violated RCW 42.17A.235 and .240 by failing to timely file Summary Campaign Contribution and Expenditure Reports (C-4 reports) disclosing \$284,564 for total contributions received which included \$22,528 in 2016 surplus committee funds carried forward, and \$279,076 in total expenditures made.

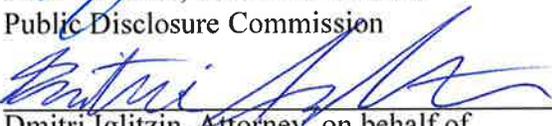
### PENALTY

1. Based upon the Stipulation of Facts and Violations set forth above, the Committee agrees to pay a total civil penalty of \$40,000 with \$20,000 suspended on the following conditions:
  - a. The Committee is not found to have committed any further violations of RCW 42.17A or WAC 390 within four years of the date of the final order in this matter.
  - b. The Committee is in compliance with all reporting requirements.
  - c. The non-suspended portion of the penalty (\$20,000) is paid by the Committee within 30 days of the date of the final order in this matter.

The Committee affirms its intention to comply in good faith with the provisions of RCW 42.17A and WAC 390 in the future.

  
Peter Lavalley, Executive Director  
Public Disclosure Commission

2/14/2019  
Date Signed

  
Dmitri Iglitzin, Attorney, on behalf of  
UFCW 21 PAC

2/6/2019  
Date Signed