

**Mike Hope and 100 Ideas Washington State  
PDC Case No. 12-001  
Executive Summary, Staff Analysis and Recommendation**

**I. Introduction**

Mike Hope is a State Representative serving Washington State's 44<sup>th</sup> Legislative District. He is also a candidate for Snohomish County Executive in the 2011 election.

In 2010, Mr. Hope was a co-chair of Citizens for the Lakewood Law Enforcement Memorial Act, a political committee organized to campaign for voter approval of Engrossed Senate House Joint Resolution (ESHJR) 4220, an amendment to the Washington State Constitution on the November 2, 2010 general election ballot.

In March 2011, Mr. Hope announced the creation of 100 Ideas Washington State (100 Ideas). A press release described 100 Ideas as a nonpartisan, statewide initiative with plans to collect policy ideas from Washington State residents, and publish the best ideas in book form as a "road map" for policy makers.

On April 8, 2011, William Ferrell filed a complaint against Mike Hope and 100 Ideas. On June 30, 2011, Mr. Ferrell filed a second complaint against Mr. Hope as a 45-day Citizen Action Letter under RCW 42.17.400. He incorporated the allegations in his April 8, 2011 letter, by reference, into his Citizen Action Letter.

**II. Allegations in Initial Complaint**

Mr. Ferrell's April 8, 2011 complaint alleged that a primary purpose of 100 Ideas was electoral political activity, through expenditures promoting Mike Hope's candidacy for Snohomish County Executive in the 2011 general election. Mr. Ferrell further alleged that 100 Ideas was a "receiver of contributions" reportable under RCW 42.17. He alleged that 100 Ideas was, therefore, a political committee as defined in RCW 42.17 that had failed to register and report its activities on PDC contribution and expenditure reports, alleged violations of RCW 42.17.040, .080, and .090. He alleged that Mr. Hope, through 100 Ideas, had accepted contributions that exceeded the limits in RCW 42.17.640 for contributions to candidates for county-wide office, and that Mr. Hope had violated the prohibition in RCW 42.17.710 against soliciting contributions by state officials during the legislative "session freeze" period. Finally, Mr. Ferrell's April 8, 2011 complaint alleged that 100 Ideas was conducting a campaign to lobby the legislature through public action, and had failed to register and report as the sponsor of a grass roots lobbying campaign, an alleged violation of RCW 42.17.200.

**III. Allegations in 45-Day Citizen Action Letter**

Mr. Ferrell's Citizen Action Letter was filed with the Office of the Washington State Attorney General (AGO) and the Snohomish County Prosecutor in accordance with RCW 42.17.400(4), which provides that if neither the Attorney General nor the Snohomish County Prosecutor takes action within the required notice periods, the complainant may take action in the name of the state in Superior Court.

PDC staff received a request from the AGO to conduct an investigation and, as appropriate, schedule an administrative hearing or provide a copy of the Commission's recommendation along with staff's report of investigation. The 45-day Citizen Action Letter alleged that Mr. Hope failed to disclose travel occasions paid for by Citizens for the Lakewood Law Enforcement Memorial Act, on his Personal Financial Affairs Statement (PDC form F-1) filed on April 7, 2011, an alleged violation of RCW 42.17.241.

#### **IV. Background & Investigative Findings**

**Mike Hope and 100 Ideas Washington State** - PDC law and Washington State courts have recognized two ways that a person or entity may incur the registration and reporting requirements of a political committee: (1) by becoming a "receiver of contributions" for electoral political activity, or (2) by having expenditures for electoral political activity become one of the person or entity's primary purposes. Mr. Ferrell's complaint alleged that 100 Ideas became a political committee in both of these ways. However, Mr. Ferrell provided no information or evidence that 100 Ideas had received contributions as defined in RCW 42.17. At the time of Mr. Ferrell's complaint, a limited number of expenditures had been made by 100 Ideas that could be analyzed under the "primary purpose" test recommended by the courts. These expenditures consisted of the March 23, 2011 press release announcing the formation of the organization, and the organization's Web site, [www.100ideaswa.org](http://www.100ideaswa.org).

The 100 Ideas Web site and press release identified Mr. Hope, but neither mentioned his candidacy for Snohomish County Executive, nor the executive race generally. In addition to identifying Mr. Hope, the communications identified several other elected leaders at the state and local levels. No evidence was found that the communications constituted expenditures for electoral political activity.

Staff analyzed subsequent expenditures by 100 Ideas for video clips that discussed the organization's plans to gather public policy ideas from Washington State residents. The videos were posted to YouTube and to the 100 Ideas Web site, but had not been broadcast on television. Mr. Hope was identified in some, but not all, of the videos. The videos featured other state and local elected officials in addition to Mr. Hope. None of the videos mentioned Mr. Hope's candidacy for Snohomish County Executive, or the executive race generally.

No evidence was found in the content of the 100 Ideas videos that the videos constituted expenditures for electoral political activity. However, certain videos were tagged with search terms related to the Snohomish County Executive Race, which could serve to drive campaign-related Internet traffic to the 100 Ideas videos. These tags included "*Mike Hope*," "*Snohomish County*," and "*County Executive*." Mr. Hope stated that he inquired with his campaign staff and consultants, and with the staff and advisors to 100 Ideas, and was unable to determine who was responsible for adding these search tags to the videos. Consistent with Mr. Hope's stated intent to keep the

activities of 100 Ideas separate from the activities of his Snohomish County Executive campaign, he promptly removed the search tags from the videos at PDC staff's recommendation.

The financial records of 100 Ideas show that approximately one month after Mr. Ferrell's April 8, 2011 complaint, receipts by 100 Ideas totaled \$5,000, consisting of two donations. These donations were made through checks payable to 100 Ideas, and the funds were spent to produce the 100 Ideas Web site and videos discussed above. No evidence was found that donations to 100 Ideas constituted contributions as defined in RCW 42.17, subject to the contribution limits in RCW 42.17.640, or to the session freeze restriction in RCW 42.17.710.

Although 100 Ideas states that it plans to compile policy ideas suggested by Washington State residents into book form, and to make this book available to policy makers, the organization has not yet done so. If and when such a publication is provided to state officials, the related expenses may require 100 Ideas to register and report as an organization conducting direct lobbying. No evidence was found that 100 Ideas has conducted, or plans to conduct, grassroots lobbying as defined in RCW 42.17.200.

**Mike Hope - Reporting Travel Costs on Annual F-1** – Mr. Hope confirmed that Citizens for the Lakewood Law Enforcement Memorial Act furnished airfare for two trips he took to Spokane in September and October of 2010. He confirmed that the campaign also paid for his lodging, an expense of \$97.20. Mr. Hope stated that the September trip was made to attend an editorial board meeting in support of the Remember Lakewood Campaign, in his capacity as a Co-Chair of Citizens for the Lakewood Law Enforcement Memorial Act. He stated that the October trip was made to participate in radio and television interviews for the Remember Lakewood Campaign.

Mr. Hope stated that he did not report these travel occasions on his annual F-1 report because they did not involve activity conducted in his official capacity as a State Representative. No evidence was found that Mr. Hope's travel, or activities conducted on behalf of the political committee, were part of his official duties as a State Representative.

## V. Conclusion

PDC staff has carefully reviewed William Ferrell's 45-day Citizen Action Letter received June 30, 2011, including the allegations in his complaint received April 8, 2011, which he incorporated by reference into his Citizen Action Letter. Staff also carefully reviewed the information provided by Mr. Hope, and the relevant statutes, regulations, and reporting requirements.

**Mike Hope and 100 Ideas Washington State** – No evidence was found that 100 Ideas Washington State had the requirement to register as a political committee under RCW 42.17.040, or to file reports of contribution and expenditure activity under RCW 42.17.080 and .090. No evidence was found that donations to 100 Ideas were contributions as defined under RCW 42.17, or that Mike Hope, through 100 Ideas, was subject to the contribution limits in RCW 42.17.640, or to the fundraising restrictions during the legislative “session freeze” period in RCW 42.17.710. No evidence was found that 100 Ideas was the sponsor of a grass roots lobbying campaign with reporting requirements under RCW 42.17.200.

**Mike Hope - Reporting Travel Costs on Annual F-1** – No evidence was found that Mr. Hope was acting in his official capacity as a State Representative when his travel costs were paid by Citizens for the Lakewood Law Enforcement Memorial Act, or that those travel costs were reportable on his annual F-1 report under RCW 42.17.241.

### Recommendation

PDC staff recommends that the Commission dismiss the allegations in the Citizen Action Letter, including the allegations in the complainant's April 8, 2011 letter that were incorporated by reference into the Citizen Action Letter, as follows:

- 100 Ideas Washington State:
  - RCW 42.17.040
  - RCW 42.17.080
  - RCW 42.17.090
  - RCW 42.17.200
- Mike Hope:
  - RCW 42.17.640 (through 100 Ideas Washington State)
  - RCW 42.17.710
  - RCW 42.17.241

Accordingly, based on the Commission's action in this matter, PDC staff recommends that the Attorney General take no further action concerning the allegations in Mr. Ferrell's Citizen Action Letter, including the allegations in Mr. Ferrell's complaint received April 8, 2011.