

Executive Summary and Staff Analysis
PDC Case No. 12-150
Move Bellevue Forward, Suzanne Baugh, and John Su

This summary highlights staff's findings, conclusions, and recommendations regarding the allegations contained in PDC Case No. 12-150, a 45-day citizen action letter filed on January 31, 2012 by Joseph Rosmann (Rosmann citizen action letter) against Move Bellevue Forward (MBF), Suzanne Baugh and John Su. The summary also briefly reviews the Commission's order issued December 16, 2011 accepting a Stipulation as to Facts, Violations and Penalty concerning certain allegations, and its recommendation that the Attorney General take no further action concerning other allegations, that were made in an earlier 45-day citizen action letter filed on October 21, 2011 by Geoff Bidwell (Bidwell citizen action letter) (PDC Case No. 12-144) involving similar allegations.

**I. Allegations & Summary of Findings for Rosmann Citizen Action Letter
(including Review of Bidwell Citizen Action Letter)**

A. Allegations in Rosmann 45-day Citizen Action Letter

The Rosmann citizen action letter alleges violations of RCW 42.17 by MBF, Suzanne Baugh (President of MBF), and John Su (MBF board member and contributor) as follows:

1. MBF was a political committee required to register and report under RCW 42.17.040, RCW 42.17.080, and RCW 42.17.090 before September 27, 2011 (the date identified in the Stipulation for PDC Case No. 12-144 as the date MBF became a political committee) because:
 - a. Tim Ceis, a political consultant, consulted with or worked for MBF prior to September 27, 2011 concerning its political committee activities;
 - b. MBF board member Matt Terry sent an email soliciting contributions for MBF's activities in March 2011; and
 - c. MBF solicited contributions for its activities, and coordinated its support of candidates for Bellevue City Council with those candidates, prior to September 27, 2011.
2. Suzanne Baugh (President of MBF) concealed the source of MBF's contributions which would be prohibited under RCW 42.17.120; and
3. John Su (MBF board member and contributor) concealed the source of MBF's contributions which would be prohibited under RCW 42.17.120.

B. Summary of Bidwell Citizen Action Letter (PDC Case No. 12-144)

At its December 8, 2011 regular meeting, the commission acted to accept a Stipulation as to Facts, Violations and Penalty, establishing that MBF violated RCW 42.17.040,

RCW 42.17.080 and RCW 42.17.090 by failing to timely register as a political committee and by failing to timely file reports of contributions and expenditures between September 27, 2011 and October 31, 2011. The Stipulation included a penalty of \$1,000 with \$500 suspended on the condition that MBF is not found to have committed further violations of RCW 42.17 within four years of the Commission's Final Order. The Commission also acted to recommend that the Attorney General take no further action on the allegations in the Bidwell citizen action letter that MBF was operating as an unregistered political committee (RCW 42.17.040, RCW 42.17.080 and RCW 42.17.090), that MFP failed to provide complete sponsor identification on its political advertising (RCW 42.17.510) and that MBF concealed the source of its contributions (RCW 42.17.120).

In reaching its decision, the Commission considered staff's investigation into MBF's activities from its February 7, 2011 inception through October 31, 2011, which included speaking with MBF's treasurer (Scott Rodgers), reviewing MBF's website, its certificate of incorporation, and its financial operations and activities, including donations received and expenditures made.

C. Investigative Findings for Rosmann Citizen Action Letter

Staff's initial review of the Rosmann citizen action letter determined that it appeared to contain largely the same allegations as those in the Bidwell citizen action letter, and that it did not include any material documentary evidence to substantially distinguish Mr. Rosmann's allegations from those addressed and disposed of in the earlier case. The Rosmann citizen action letter included a copy of the Executive Summary and PDC Staff Analysis for PDC Case No. 12-144 (the Bidwell citizen action letter); information from the Publicola website concerning a Bellevue Light Rail Town Hall meeting at which Tim Ceis spoke; a copy of an Internal Revenue Service (IRS) publication about tax exempt organizations; a letter from MBF board member Matt Terry allegedly soliciting contributions; and a copy of the earlier Bidwell citizen action letter.

Staff's investigation into the Rosmann citizen action letter revealed that the allegations are substantially the same as the allegations made in PDC Case No. 12-144. Staff asked Mr. Rosmann if he had any additional new or factual information to support his allegations, and did not receive a response. It appears that Mr. Rosmann essentially simply disagrees with the Commission's conclusion regarding the facts previously investigated about when MBF became a political committee (believing that it was earlier than September 2011) and whether MBF's contributions were concealed.

Although similar, the allegations in the earlier Bidwell citizen action letter and the Rosmann citizen action letter are not identical. The Rosmann citizen action letter differs from the earlier citizen action letter in three respects: first, it asserts that MBF was a political committee earlier than September 27, 2011, the date stipulated to by MBF and PDC staff, and accepted by the Commission at its December 8, 2011 meeting; second, it alleges that Suzanne Baugh (President of MBF) acted to conceal the source of MBF's contributions; and third, it alleges that John Su (MBF board member and contributor) acted to conceal the source of MBF's contributions.

1. New allegation that MBF was a political committee required to register and report under RCW 42.17.040, RCW 42.17.080, and RCW 42.17.090 earlier than September 27, 2011.

- a. Regarding the first new allegation, Mr. Rosmann noted that political consultant Tim Ceis commented at a City of Bellevue open house that MBF was one of two competing groups lobbying the Bellevue City Council to adopt a particular light rail route. PDC staff found that Mr. Ceis was invited to attend an MBF meeting on January 25, 2011, but that he was not paid for consulting services, and did not attend future meetings. No evidence was found that his comments, or MBF's local lobbying efforts, made MBF a political committee earlier than September 27, 2011.
- b. Also regarding the first new allegation, PDC staff found that on March 1, 2011, Matt Terry, a board member of MBF, sent a personal email to friends and associates describing MBF as a newly formed grassroots coalition comprised of local community leaders with a long-term progressive vision for the City of Bellevue. The e-mail asked recipients to consider joining MBF, provided information about the MBF website, stated that MBF has six former Bellevue Mayors as members, and noted that more than 140 people had joined MBF.
- c. The e-mail did not support or oppose candidates or ballot propositions, did not solicit donations, dues or contributions, and did not state that MBF would use funds it received from those joining the organization to support or oppose candidates or ballot propositions. No evidence was found that other MBF members or volunteers assisted Mr. Terry in drafting his March 1, 2011 email. MBF began receiving donations when it formally organized in February 2011.
- d. Finally, regarding other activities by MBF that Mr. Rosmann noted in support of the first new allegation, PDC staff found that MBF, through its President, Suzanne Baugh, sent four emails to its members: two in March; one in July; and one in August 2011. The emails welcomed MBF members and friends, provided information about the MBF website and upcoming city council meetings and Sound Transit board meetings, provided links to join MBF and/or donate to MBF, recommended supporting three candidates for Bellevue City Council, and provided a link to each of the candidates' website. No evidence was found that the emails solicited contributions to support or oppose candidates or ballot propositions, or that MBF became a political committee earlier than September 27, 2011.
- e. PDC staff also reviewed additional information regarding MBF's activities as recorded in MBF board meeting minutes. The MBF board met twice a month from January 2011 to December 2011. From January through May, MBF discussed its organization, various local issues including the east link for light rail, Sound Transit activities, Bellevue City Council meetings, other light rail issues, Seattle tunnel funding, and related

transportation issues. Starting in June, the board also began discussing the candidates for Bellevue City Council and possible ways that MBF could consider becoming involved in the election. The board encouraged its members to support three named candidates and to become involved in those campaigns. At the September 27, 2011 board meeting, MBF agreed to fund a mailer supporting three candidates for Bellevue City Council and opposing one ballot proposition. No evidence was found that MBF was engaged in activities that would require registration and reporting as a political committee earlier than September 27, 2011, as found by the Commission in PDC Case No. 12-144.

2. **New allegation that Suzanne Baugh concealed the sources of MBF's contributions which would be prohibited under RCW 42.17.120.** Regarding the second new allegation, Suzanne Baugh served as President of MBF. No evidence was found that Ms. Baugh concealed MBF's political committee contributions or expenditures reportable under RCW 42.17. It was the responsibility of MBF (not Suzanne Baugh) to report the identity of its contributors, which it did. The commission has previously found that MBF did not conceal the identity of its contributors. MBF's political committee contributions were received between September 27, 2011 and October 31, 2011.
3. **New allegation that John Su concealed the sources of MBF's contributions which would be prohibited under RCW 42.17.120.** Regarding the third new allegation, Mr. Su was a board member of MBF who contributed \$5,000 to MBF to help pay for its independent expenditure in October 2011. It was his contribution, along with the corresponding expenditure, that required MBF to register and report as a political committee. No evidence was found that Mr. Su was solicited or made a contribution to MBF before September 27, 2011, the date MBF decided to make an independent expenditure to support three candidates and oppose one ballot proposition. No evidence was found that Mr. Su concealed the \$5,000 contribution he made to MBF on October 14, 2011. Mr. Su identified himself to MBF as the contributor, and it was the responsibility of MBF (not Mr. Su) to report Mr. Su as the contributor, which it did. The commission has previously found that MBF did not conceal the identity of its contributors.

II. Conclusion and Recommendation

The allegations in the Rosmann citizen action letter are substantially similar to the allegations in the Bidwell citizen action letter that were previously resolved through stipulated violations and penalty (regarding MBF's failure to timely register and report as a political committee) and through a recommendation that the Attorney General take no further action.

The Rosmann citizen action letter differs from the allegations in the Bidwell citizen action letter in that it alleges: 1) MBF was required to register and report earlier than September 27, 2011; 2) that Ms. Baugh is responsible for the alleged concealment of MBF's political committee contributions; and 3) that Mr. Su is responsible for the alleged concealment of MBF's political committee contributions. The Rosmann citizen action

letter, and staff's additional investigation based on it, provide no factual or legal basis to reach a different conclusion than the Commission has already reached.

1. The Rosmann citizen action letter provided no evidence, and staff found no evidence, that MBF's obligation to register and report as a political committee under RCW 42.17.040, RCW 42.17.080, and RCW 42.17.090 began earlier than September 27, 2011. This allegation should be dismissed.
2. The Rosmann citizen action letter provided no evidence, and staff found no evidence, that Suzanne Baugh concealed the source of MBF's contributions, which would have been prohibited under RCW 42.17.120. This allegation should be dismissed.
3. The Rosmann citizen action letter provided no evidence, and staff found no evidence, that John Su concealed the source of MBF's contributions, which would have been prohibited under RCW 42.17.120. This allegation should be dismissed.

In conclusion, PDC staff recommends that the Commission dismiss all allegations against all Respondents in the citizen action letter, as noted above.