



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH
RCW 42.17

Evergreen Citizens for Schools

Respondent.

PDC Case No. 12-158

Report of Investigation

I.

Background and Allegations

- 1.1 Evergreen Citizens for Schools (ECS) is a political committee located in Vancouver, Washington, organized to support local bond and levy elections initiated by Evergreen School District, dating back to 1997.
- 1.2 Evergreen School District adopted a resolution placing Proposition 1 on the May 20, 2008 special election ballot, a ballot measure asking voters to approve a bond. Proposition 1, if approved, would have authorize Evergreen School District to construct or replace certain schools and support facilities, purchase property, portable classrooms, equipment, and technology, and expand and modernize district facilities.
- 1.3 On December 14, 2007, ECS filed a Committee Registration (Form C-1pc) registering as an election year political committee supporting Proposition 1. **See Exhibit #1.** The C-1pc disclosed that ECS selected the Full Reporting option and listed Pat Norby as its Treasurer.
- 1.4 Proposition 1 was defeated on the May 20, 2008, special election ballot, receiving 45.4% of the vote.
- 1.5 On September 14, 2009, ECS filed a C-1pc registering as an election year political committee in support of an Evergreen School District levy lid lift ballot measure on the February 9, 2010, special election ballot. ECS selected the Full Reporting option and listed Ms. Norby as its Treasurer.
- 1.6 On January 23, 2012, Mark Rossmiller filed a complaint that was supplemented on February 9, 2012, alleging that ECS violated RCW 42.17.080 and .090 by failing to

report expenditures to pay for a survey. **See Exhibit #2.** On February 14, 2012, PDC staff advised Mr. Rossmiller by letter that the allegations in his complaint related to officials of the Evergreen School District allegedly using district facilities to support a ballot proposition in violation of RCW 42.17A.555 were being addressed separately and would not be part of this investigation which is limited to the allegations involving the political committee ECS.

II. Findings

- 2.1 Political committees supporting or opposing local ballot propositions, such as school district levy committees, must file a Form C-1pc with the PDC within two weeks of: (1) soliciting or accepting contributions; or (2) making expenditures with the expectation of supporting or opposing a ballot measure; or (3) otherwise taking actions that demonstrate an expectation of receiving contributions or making expenditures to support or oppose a ballot measure.
- 2.2 After registering in December 2007, ECS was required to file weekly Cash Receipts and Monetary Contributions reports (Form C-3) beginning January 1, 2008. In addition, ECS was required to file Campaign Summary Receipts and Expenditures reports (Form C-4) as follows:
 - A 21-day pre-special election C-4 report: The C-4 report was required to be filed on April 29, 2008, covering the period March 1 through April 22, 2008;
 - A 7-day pre-special election C-4 report: The C-4 report was required to be filed on May 13, 2008, covering the period April 23 through May 12, 2008;
 - A post-special election C-4 report: The C-4 report was required to be filed on June 10, 2008, covering the period May 13 through May 31, 2008.
- 2.3 ECS timely filed C-3 reports throughout the 2008 special election cycle. In addition, ECS timely filed the following C-4 reports:
 - On April 29, 2008, ECS timely filed its 21-day pre-special election C-4 report covering the period March 1 through April 22, 2008. The C-4 report disclosed that ECS received \$30,783 in monetary contributions, and made \$16,296 in expenditures.
 - On May 13, 2008, ECS timely filed its 7-day pre-special election C-4 report covering the period April 23 through May 12, 2008. The C-4 report disclosed ECS received \$6,698 in monetary contributions, and made \$11,601 in expenditures. No payments or orders placed were disclosed as having been made or owed to *The Columbian* during the reporting period.
 - On June 9, 2008, one day early, ECS timely filed its post-special election C-4 report, covering the period May 13 through May 31, 2008. The C-4 report disclosed ECS received \$659 in monetary contributions, and made \$5,253 in expenditures. No

payments or orders placed were disclosed as having been made or owed to *The Columbian* during the reporting period.

- On July 10, 2008, ECS timely filed its June 2008 C-4 report, disclosing \$238 in monetary contributions received, and \$1,984 in expenditures made. One of the expenditures was a \$966.72 payment made to *The Columbian* on June 3, 2012 for a "Thank You" advertisement.

2.4 This was the last report filed by ECS for the 2008 election cycle. However, the "Final Report" box was not checked until an amended C-4 report was received after the complaint had been filed in 2012.

Failure to timely disclose political committee expenditures (RCW 42.17.080 and .090)

2.5 While reviewing the complaint, PDC staff discovered that ECS made two expenditures during the 2008 special election campaign that had not been disclosed, as follows:

- An expenditure to *The Columbian* in July of 2008, totaling \$9,681.99 for political advertising in the form of newspaper advertisements that ran prior to the bond measure election being held on May 20, 2008; and
- An expenditure to Conkling, Fiskum & McCormick in October of 2008, totaling \$5,500 to conduct a survey related to the failed bond measure.

2.6 On February 15, 2012, ECS filed a C-4 report disclosing these two expenditures made during calendar year 2008 to *The Columbian* and Conkling, Fiskum & McCormick. The C-4 report disclosing these the two expenditures (for \$9,681.99 and \$5,500) were reported by ECS more than three and one half years after the 2008 bond election.

2.7 On September 20, 2012, staff requested copies of the survey work, newspaper advertisements, and invoices documenting the two late-reported ECS expenditures.

2.8 On October 29, 2012, Ms. McAnally transmitted an e-mail to PDC staff that included an October 4, 2012, e-mail Ms. Norby had unsuccessfully attempted to transmit to PDC staff on September 27, 2012. **See Exhibit #3.** In the e-mail, Ms. Norby responded to staff's questions.

2.9 On October 30, 2012, Ms. McAnally transmitted five e-mails with four attachments providing copies of the survey questions, results and invoice for Conkling, Fiskum & McCormick, and the invoices for the newspaper advertisements that ran in *The Columbian*. A copy of the advertisements was also included. **See Exhibit #4.**

Failure to timely disclose political advertising in support of Proposition #1 in 2008:

2.10 In Ms. Norby's October 4, 2012 email, she stated that newspaper advertisements ran in *The Columbian* on May 6, 7, 11, and 13, 2008, asking citizens to vote in favor of Proposition 1. On May 29, 2008, a "Thank You" ad ran in *The Columbian* thanking

citizens for voting for the measure, despite being defeated. Ms. Norby stated that ECS made a partial payment for the advertisements on June 3, 2008.

- 2.11 Staff reviewed the four-page exhibit, which included a three-page invoice from *The Columbian* made out to Evergreen Citizens for Schools, and a copy of the "Thank You" advertisement. The invoice listed a billing date of May 31, 2008, with a total amount due of \$10,649. The account name was listed as "ECS, ATTN: Michael Wade." The invoice did not specify a date the order was placed, but listed several dates between April 30 and May 29, 2008, that newspaper ads ran.
- 2.12 ECS's plan for the newspaper advertisements was determined in March of 2008, near the beginning of the campaign, and the specific run dates were revised throughout the special election campaign. ECS decided to run additional newspaper ads before the May 20th special election, since there were sufficient funds in the budget. The e-mail stated orders were placed with *The Columbian* throughout the special election campaign by Shannon Beecher, ECS committee officer, with one final advertisement purchased and scheduled to run after the election to thank voters.
- 2.13 Ms. Norby was informed of the estimated charges from *The Columbian* in May 2008, although the final invoice did not get to her until mid July 2008, because it was not sent to the correct mailing address. The invoice from *The Columbian* was dated May 31, 2008, but it was originally sent to the address of former ECS treasurer Michael Wade at his home.
- 2.14 Ms. Norby stated that she received a telephone call from *The Columbian* informing her that ECS was past-due on its payment for the newspaper advertisements. She said she asked *The Columbian* to re-send an updated invoice to ECS at its correct mailing address. She paid the invoice on July 15, 2008.
- 2.15 The 7-day pre-special election C-4 report filed by ECS was required to disclose all committee financial activities, including orders placed, debts owed, and obligations outstanding through May 12, 2008.
- 2.16 ECS failed to disclose any orders placed, debts, or obligations on its 7-day pre-special election C-4 report for expenditures to *The Columbian* for at least three of the newspaper advertisements that ran prior to May 12, 2008,.
- 2.17 The post-special election C-4 report filed by ECS on June 9, 2008, was required to disclose all committee financial activities, including orders placed covering the period of May 12 through May 31, 2008. ECS failed to disclose any expenditures made, or orders placed with *The Columbian* on its post-special election C-4 report for the newspaper advertisements that ran during the month of May 2008.
- 2.18 On February 15, 2012, ECS filed a C-4 report for July 2008, disclosing a \$9,681 expenditure to *The Columbian* on July 15, 2008 for its May 2008 newspaper ads. **See Exhibit #5.** The expenditure for the newspaper ads was disclosed by ECS to the public

1,141 days late, and more than three and one half years after the May 20, 2008 special election had been held.

Failure to timely disclose a committee expenditure for a 2008 survey:

- 2.19 On October 18, 2008, ECS paid Conkling, Fiskum & McCormick \$5,500 to conduct a survey related to the failed May 20, 2008 bond measure. This expenditure should have been reported the following month, but it was not. On February 15, 2012, ECS filed a C-4 report covering the period August 1 through October 31, 2008, disclosing the \$5,500 expenditure. **See Exhibit #6.** The expenditure was required to be reported on November 10, 2008, and was disclosed 1,192 days late, and more than three and one half years after the 2008 bond measure had failed. The “Final Report” box was checked on the C-4 report.
- 2.20 A few weeks after the May 20, 2008 ballot measure failed, ECS decided to conduct a survey to determine why the measure failed, and to learn how to run a successful future campaign. The survey cost estimates were discussed with Ms. Norby in mid July 2008 when the committee decided on the final survey work to be conducted. Ms. Mc Anally stated that the first invoice was never received by ECS, and that it was not until October 2008 that the invoice was received by Ms. Norby.
- 2.21 On October 30, 2012, Ms. McAnally submitted email attachments to the PDC that included a September 9, 2008, invoice for the survey work. The email also included the survey questions and responses. The invoice indicated that Conkling, Fiskum & McCormick billed ECS \$5,500 for research fees related to “*a telephone survey among 200 Evergreen School District voters*” with the objectives of: (1) determining the reasons voters supported or opposed the May 20, 2008 bond measure; and (2) identifying messages that would be effective in encouraging voters to support a future bond measure.
- 2.22 There were a total of 21 survey questions related to the failed 2008 bond ballot measure that included the following subjects: (1) grading the Evergreen School District on performance; (2) determining the primary reasons survey respondent had heard about why residents voted for or against the May 20, 2008 ballot measure; (3) analyzing four stated reasons why some residents had not supported the ballot measure, and how those reasons influenced the survey respondent’s opinion; (4) evaluating nine options for financing proposals for the school district, including how likely the survey respondent would be to favor each element; and (5) five demographic questions. ECS was also provided a copy of the survey results.
- 2.23 None of the questions were related to the 2010 Evergreen School District levy lid lift election.
- 2.24 On February 24, 2012, Pat Norby, treasurer for ECS, responded on behalf of ECS to the complaint filed by Mr. Rossmiller. **See Exhibit #7.** Ms. Norby stated that she had been reporting to PDC based on her understanding that ECS is classified as a single election year committee. She stated she followed the steps outlined in the Political Committee

Manual which included filing a final report for the current year once activity has ceased, filing a new C-1pc for the next campaign if appropriate, and carrying the ending balance from the previous campaign forward to the new campaign. ECS apologized for failing to report the voter survey.

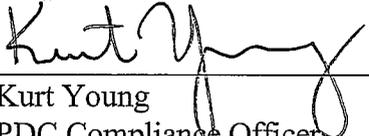
III. **Scope**

- 3.1 Staff reviewed the complaint received from Mark Rossmiller on January 23, 2012 and supplemented on February 9, 2012.
- 3.2 Staff spoke with Pat Norby by telephone.
- 3.3 Staff reviewed Pat Norby's written response dated February 24, 2012.
- 3.4 Staff reviewed the C-3 and C-4 report filed by ECS for the 2008 special election campaign.
- 3.5 Staff reviewed the October 30, 2012, e-mail from Ms. McAnally along with the four attached documents.

IV. Law

- 4.1 **RCW 42.17.080 and 090** require candidates to file timely, accurate reports of contributions and expenditures, including orders placed, debts and obligations. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.

Respectfully submitted this 11th day of January, 2013.



Kurt Young
PDC Compliance Officer

List of Exhibits

- Exhibit #1** December 14, 2007, Evergreen Citizens for Schools (ECS) file Committee Registration.
- Exhibit #2** Complaints filed by Mark Rossmiller against ECS.
- Exhibit #3** October 29, 2012, Joni McAnally, Chair of ECS, submitted an e-mail that included an October 4, 2012, e-mail from Pat Norby.
- Exhibit #4** October 30, 2012, Joni McAnally transmitted e-mail attachments of copies of the survey, the invoice for Conkling, Fikum & McCormick, and the invoices for *The Columbian*.
- Exhibit #5** February 15, 2012, ECS filed a C-4 report for July 2008.
- Exhibit #6** February 15, 2012, ECS filed a C-4 report covering the period August 1 through October 31, 2008.
- Exhibit #7** February 24, 2012, Pat Norby, treasurer for ECS, responded on behalf of ECS to the complaint filed by Mr. Rossmiller.