

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

In the Matter of Enforcement Action  
Against:

New Majority (Reagan Fund) PAC

Respondents.

Case No. 15-038

**STIPULATION AS TO FACTS,  
VIOLATIONS AND PENALTY**

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Andrea McNamara Doyle, and Respondent New Majority (Reagan Fund) PAC, through its chair, Jeffrey Possinger, 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 that 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**

1. On June 24, 2014, New Majority (Reagan Fund) PAC (NMRF PAC) filed a Political Committee Registration (C-1pc report) as a continuing political committee. The registration disclosed that Jeffrey Possinger is the committee's sole officer, and serves as the committee's campaign treasurer, campaign manager/media contact, and chair. The name "Reagan Fund" is included in the name of the committee because the caucus-related Reagan Fund political committee is a "sponsor" of New Majority PAC as defined in RCW 42.17A.005(42)(b).

2. NMRF PAC filed a C-6 report on August 26, 2014, disclosing \$44,454 for electioneering communications made in opposition to Roger Goodman and presented to the public between July 14 and July 31, 2014. Based on the timing, media, and value of their advertisements identifying a candidate, NMRF PAC was required to file three C-6 reports disclosing the advertisements as electioneering communications. This information was filed between 25 and 42 days late, disclosing the following:
  - \$29,500 for Electioneering Communications presented to the public on July 14, 2014, for television advertisements in opposition to Roger Goodman. NMRF PAC was required to electronically file a C-6 report by July 15, 2014.
  - \$7,477 for an Electioneering Communication presented to the public on July 28, 2014, for direct mail advertising identified as "Mailer #1" in opposition to Roger Goodman. NMRF PAC was required to electronically file a C-6 report by July 29, 2014.
  - \$7,477 for an Electioneering Communication presented to the public on July 31, 2014, for direct mail advertising identified as "Mailer #2" in opposition to Roger Goodman. NMRF PAC was required to electronically file a C-6 report by August 1, 2014.
3. On June 24, 2014, NMRF PAC timely filed a C-3 report, manually on paper, disclosing the receipt of a \$35,000 monetary contribution from the Reagan Fund received and deposited on June 20, 2014. On July 8, 2014, NMRF PAC received notification from PDC staff that its electronic filing account had been activated, but NMRF PAC did not file an electronic version of the C-3 report disclosing the receipt of a \$35,000 monetary contribution from the Reagan Fund until 10 days later on July 18, 2014.
4. On July 18, 2014, NMRF PAC filed the 21-day pre-primary election C-4 report electronically disclosing the receipt of \$35,000 in monetary contributions, and expenditures made during the reporting period. The C-4 report filed by NMRF PAC: (1) disclosed three expenditures to Minnick & Minnick, Inc. on June 24, 2014 for "Media Production" (\$24,100 and \$5,400), and "Web Media" (\$5,500); (2) checked the independent expenditure (IE) box

on the front of the C-4 report; and (3) listed "T" in the expenditure code, but failed to identify the candidate supported or opposed by the IE on the schedule A to C-4 report. The report was filed three days late.

5. On July 29, 2014, NMRF PAC filed an amended 21-day pre-primary C-4 report, disclosing that the independent expenditures it sponsored during that reporting period opposed Roger Goodman. This information was disclosed 14 days late.
6. Although familiar with state campaign finance and disclosure laws, Jeffrey Possinger had never previously served in the role as a treasurer on a campaign or PAC nor worked directly with the Online Reporting of Campaign Activity (ORCA) software and electronic reporting.
7. On multiple occasions during the 2014 election cycle, before and after the filing of the complaint, Jeffrey Possinger contacted PDC compliance staff in a good faith effort to comply with reporting requirements. NMRF PAC took corrective action with regard to Violation B, below, before receiving notice of the complaint, and took corrective action with regard to Violation A, below, promptly after receiving notice of the complaint.
8. From the time of the initial complaint through the hearing, NMRF PAC and Jeffrey Possinger have cooperated with the PDC and its staff.
9. Prior to Case No. 15-038, the PDC received no complaints alleging violations of contribution and expenditure reporting requirements by NMRF PAC or Mr. Possinger.

#### **STATUTORY AND RULE AUTHORITY**

**RCW 42.17A.005(19)(a)** defines "Electioneering communication" to mean any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that: (i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name; (ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and (iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.

**RCW 42.17A.305** requires that the sponsor of an electioneering communication shall report to the commission within twenty-four hours of, or on the first working day after, the date the electioneering communication is broadcast, transmitted, mailed, erected, distributed, or otherwise published, and include: (a) Name and address of the sponsor; (b) Source of funds for the communication, (c) Name and address of the person to whom an electioneering communication related expenditure was made; (d) A detailed description of each expenditure of more than one hundred dollars; (e) The date the expenditure was made and the date the electioneering communication was first broadcast, transmitted, mailed, erected, distributed, or otherwise published; (f) The amount of the expenditure; and (g) The name of each candidate clearly identified in the electioneering communication, the office being sought by each candidate, and the amount of the expenditure attributable to each candidate.

**RCW 42.17A.225, 235 and 240** require continuing political committees to file timely, accurate reports of contributions and expenditures. 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 in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same time period, and must be disclosed on Monday for contributions deposited the previous seven days.

**WAC 390-16-037** requires political committees to disclose the purpose of expenditures reported under **RCW 42.17A.240**, including the name of any candidate supported or opposed by the expenditure, and the details of goods and services to be provided by the recipient of the expenditure.

**RCW 42.17A.245** requires political committees that expended five thousand dollars or more in the preceding year, or expect to expend five thousand dollars or more in the current year, to file all required contribution reports and expenditure reports electronically.

## **VIOLATIONS**

10. Based on the Stipulation of Facts set forth above, Respondent New Majority (Reagan Fund) PAC violated **RCW 42.17A** as follows:

- A. **RCW 42.17A.305** by failing to timely file three Electioneering Communications reports (C-6 reports) disclosing \$44,454 for Electioneering Communications first presented to the public between July 14, 2014 and July 31, 2014, for television advertisements and direct mail advertising in opposition to Roger Goodman, an incumbent State Representative in the 45<sup>th</sup> Legislative District seeking re-election in 2014. The one C-6 report filed to disclose these expenditures was filed between 25 and 42 days late, and after the primary election.

- B. RCW 42.17A.225, 42.17A.235, and 42.17A.240 by failing to describe the media used for the committee's communications opposing Roger Goodman on the 21-day pre-primary election Summary, Full Report Receipts and Expenditures report (C-4 report); failing to provide a detailed breakdown of the expenditures; and failing to identify that the communications opposed Roger Goodman. The required information was provided 14 days late on an amended C-4 report.
- C. RCW 42.17A.245 by failing to timely file a Monetary Contributions report (C-3 report) by the required electronic method for a \$35,000 monetary contribution from the Reagan Fund received and deposited on June 20, 2014. The C-3 report was electronically filed 10 days late.

**PENALTY**

11. Based upon the Stipulation of Facts and Violations set forth above, Respondent New Majority (Reagan Fund) PAC agrees to pay a total civil penalty of \$10,000 with \$6,500 suspended on the following conditions:
- a. The committee is not found to have committed any of the same or similar violations of the disclosure provisions of RCW 42.17A within four years of the date of the final order in this matter, whether as a committee sponsored by the Reagan Fund (under the definitions of "sponsor" and "sponsored committee" in RCW 42.17A.005), under the sponsorship of any other person, or as a committee without a sponsor.
  - b. New Majority (Reagan Fund) PAC pays the non-suspended portion of the penalty (\$3,500) within 120 days of the date of the final order.

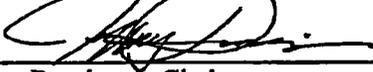
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12. Respondent New Majority (Reagan Fund) PAC affirms its intention to comply in good faith with the provisions of RCW 42.17A in the future, and has stated its intention to use the services of a qualified and experienced treasurer going forward.

  
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Andrea McNamara Doyle, Executive Director  
Public Disclosure Commission

2/25/15  
Date Signed

  
\_\_\_\_\_  
Jeffrey Possinger, Chair  
New Majority (Reagan Fund) PAC

02-25-2015  
Date Signed

# INFORMATION ABOUT APPEALS AND ENFORCEMENT OF FINAL ORDERS

## APPEALS

### RECONSIDERATION OF FINAL ORDER – BY THE COMMISSION

Any party may ask the Commission to **reconsider** a final order. Parties seeking reconsideration must:

- Make the request in writing;
- Include the specific grounds or reasons for the request; and
- Deliver the request to the PDC office so it is received within **TWENTY-ONE (21) BUSINESS DAYS** of the date that the Commission serves this order upon the party. *WAC 390-37-150*. (Note that the date of service by the Commission on a party is considered the date of mailing by U.S. mail if the order is mailed, or the date received if the order is personally served. RCW 34.05.010(19). The Commission orders are generally mailed via U.S. mail.)

Within twenty (20) business days after the petition for reconsideration is filed, the Commission may either act on the petition or notify the parties in writing of the date by which it will act. If neither of these events happens within twenty business days, the Commission is deemed to have denied the petition for reconsideration. *WAC 390-37-150*.

A Respondent is not required to ask the Commission to reconsider a final order before seeking judicial review by a superior court. *RCW 34.05.470(5)*.

### FURTHER APPEAL RIGHTS – SUPERIOR COURT

A final order issued by the Public Disclosure Commission is subject to **judicial review** under the Administrative Procedure Act (APA), chapter 34.05 RCW. *RCW 42.17A.755*. The procedures are provided in the APA at RCW 34.05.510 - .574.

## ENFORCEMENT OF FINAL ORDERS

If **enforcement** of a final order is required, the Commission may seek to enforce a final order in superior court under RCW 42.17A.755 - .760, and recover legal costs and attorney's fees if a penalty remains unpaid and no petition for judicial review has been filed. This action will be taken without further order by the Commission.