

Dan Brady
ATTORNEY AT LAW

P.O. Box 31818
Bellingham, WA 98228

o 206-228-1213
f 206-519-6678
dan@danbradylaw.com

August 15, 2018

VIA EMAIL ONLY

Kurt Young
Washington State Public Disclosure Commission
P.O. Box 40908
Olympia, WA 98504-0908

RE: PDC Case No. 8734, Michael Waite

Dear Mr. Young,

This correspondence is in response to an email sent to Michael Waite on July 19, 2018 regarding PDC Case No. 8734 which alleges violations of RCW 42.17A by his 2016 campaign committee for Washington State Treasurer (the Committee). This complaint was originally filed with the PDC and subsequently filed as Citizen Action Complaint with the Attorney General. The complainant chose not to file suit and the Attorney General returned the case to the PDC.

For your information I have attached a response that was sent on February 17, 2017 to Tony Perkins of the Attorney General's Office addressing each of the allegations in the original complaint along with cited attachments.

Please note that per our recent conversation, it is my understanding that the PDC is not interested in the allegation that the Committee "gifted" campaign funds in anyway since that the complainant dropped that allegation soon after the initial filing of the complaint. To simplify this response, I have left off supporting documents related to that allegation. If you wish to see that documentation, please let me know.

Finally, I wish to emphasize that in the unlikely event that any of the allegations are actually found to be violations, under the campaign finance reform legislation of Engrossed Substitute House Bill 2938, none of these allegations could be found to be more than minor or technical violations.

Please consider this information as you resolve this case, and please contact me if I can provide further clarification.

Sincerely,



Dan Brady, WSBA #33731

ATTACHMENTS

Dan Brady
ATTORNEY AT LAW

P.O. Box 31818
Bellingham, WA 98228
206-228-1213
dan@danbradylaw.com

February 17, 2017

VIA EMAIL ONLY

Tony Perkins, Investigator
Campaign Finance Unit
Washington State Attorney General's Office
P.O. Box 40100
Olympia, WA 98504

Dear Mr. Perkins:

This letter is in response to your February 1, 2017 email request for further information from Michael Waite and his campaign. As you are aware, I represent Mr. Waite in this matter, and I have spoken with him and others involved in his campaign to gather the requested records and answer your questions.

However, I would be remiss if I did not suggest that this seems to be an unfair waste of time and money for Mr. Waite. As he noted in his pre-election response to PDC regarding these accusations, this complaint was a politically-motivated effort filed just prior to ballots being distributed in the General Election. Since Mr. Waite lost the General Election, the complainant seemingly has no intention of pursuing it further given that he has not filed a 10-day notice as required under RCW 42.17A.765(4)(ii) despite plenty of opportunity to do so in the more than four months since the complaint was originally filed. It is unfortunate that Mr. Waite is required to spend considerable time and resources responding to such a complaint.

That said, here are the responses to your specific requests:

1. You have asked for the campaign to provide records regarding PC Events services to the campaign even though the original complainant dropped the accusation referenced by this question immediately after he filed his complaint last October. However, in order to resolve this matter as expeditiously as possible, please find attached all the invoices submitted to the campaign by PC Events. Mr. Waite was in constant contact with Mrs. Pepple over the course of his campaign, and was well aware of her work on his behalf.

PC Events is owned by Sidney Pepple, whose campaign consulting work in Washington State dates back to the 1980's, and includes service to Attorney General Rob McKenna's gubernatorial campaign, several members of Congress, and the late State Senator Andy Hill in 2014. Her event planning, fundraising, scheduling, and compliance services are in high demand in political circles, and Michael Waite felt fortunate to be able to secure her help in his first campaign.

2. As requested, please find attached invoices from Sermo Digital for digital advertising. The campaign was continually modifying its online advertising strategy and tactics based on data

returns, and new purchases were placed only after performance review of existing ads, paying for new advertising as it was placed.

Also attached as requested is an email agreement between representatives of Moore Information and Mr. Waite's campaign for survey research. Please note that some of the content of the email was redacted. These redactions cover information that would disclose or likely disclose another client of Moore Information not related to this inquiry. All dates and time stamps are not redacted in any way.

In all these cases the campaign reported the expenditures as they were ordered or incurred: The complainant was simply guessing that was not the case, and guessed wrong.

3. As a first-time candidate Mr. Waite sought opportunities to market and promote his campaign to potential donors and grassroots supporters. With this in mind, he bought tickets to various events and paid for display booths where available. At no time did he intend to make a political contribution to another political committee from his campaign funds but instead simply sought access to events he would not otherwise be allowed to attend.

As indicated to the PDC in a response last October, campaign consultant Randy Pepple made an in-person visit to the PDC's Olympia office prior to the complaint to determine if the campaign was reporting such expenditures correctly. He was advised that the campaign needed to obtain verification from each committee about the actual costs of the event, to avoid any actual contribution. Accordingly, the campaign sent letters to each committee which received marketing expenditures.

To date, the campaign has received responses regarding 10 of the expenditures identified in the complaint (attached). The responses varied in the amount of the ticket price which were hard costs, as opposed to contributions, with four of them indicating that the ticket price paid was the full event cost.

To ensure that the campaign was appropriately reimbursed for any expenditure which might be deemed a contribution, Mr. Waite made a \$5,000 personal donation to the campaign on September 7, 2016, and earmarked up to \$3,000 of that contribution as reimbursement for marketing expenditures which might later be determined to be contributions. Since the complaint listed \$2,405.74 in actual expenditures, \$3,000 seemed a prudent amount to cover all the expenditures in question if necessary, though subtracting actual costs would reduce this figure significantly. This contribution was appropriately reported to the PDC at the time, and the PDC was asked if this was an acceptable approach, though no response was ever received to that inquiry. See attachment.

Since the campaign concluded with a debt owed to Mr. Waite of \$6,000, he has by definition personally assumed any additional outstanding reimbursements owed by the campaign, even beyond the \$3,000 contribution from September.

4. As noted above, the consultant who met with Ms. Hansen on Aug. 29 was Randy Pepple.

Tony Perkins
February 17, 2017
Page 3 of 3

We trust that this additional information will satisfy your inquiries, and that the campaign will soon be able to close the books on this complaint and file a termination report with the PDC. Please advise when we may do so.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Brady', with a long, sweeping horizontal stroke extending to the right.

Dan Brady



Benton County Republican Party

P. O. Box 2141
Richland, WA 99352
October 25, 2016

Michael Waite for State Treasurer
P. O. Box 721
Bothell, WA 98041-0721

Dear Mr. Waite,

This is in response to your letter requesting the cost of the Benton County Lincoln Day Dinner event that you attended in March of this year. Dividing the total cost of the event by the 179 attendees gives a cost of \$ 34.50 for each individual. You paid the normal fee of \$ 60.00 to attend the event. This should be sufficient to satisfy the reporting requirements.

Thank you for attending the event and for participating in the political life of our state.

For LIBERTY with JUSTICE,

A handwritten signature in blue ink that reads "Jerry Strickler". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Jerry Strickler, BCRP Treasurer



Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

Lincoln Day dinner/event _____

Convention/caucus event _____

Campaign event _____

Other event Friends of Danille Kick-off
event 8/7 / 8/12

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer

EVENT COST WAS ABOUT \$200
BOTH IN CASH + IN-KIND DONATIONS
FROM SUPPORTERS
David Turissini Campaign Treasurer
DAVID TURISSINI - 360-301-0437

Dan Brady

Subject: FW: Final Treasurer Questions

From: Randy Pepple [mailto:randy@pepplecom.com]
Sent: Monday, August 15, 2016 11:20 AM
To: Erik Iverson <Erik@moore-info.com>
Cc: Jill Dehlin <JillD@moore-info.com>
Subject: RE: Final Treasurer Questions

Questions look great.

We'll pass on [REDACTED] for our questions.

So please invoice Hire Michael Waite, PO Box 721, Bothell, WA 98021, for the \$1,600.

Thanks,

Randy

From: Erik Iverson [mailto:Erik@moore-info.com]
Sent: Monday, August 15, 2016 9:58 AM
To: Randy Pepple <randy@pepplecom.com>
Cc: Jill Dehlin <JillD@moore-info.com>
Subject: Final Treasurer Questions

Randy – attached are the final Treasurer questions. [REDACTED] settled on [REDACTED] so we will get a total of [REDACTED].

Basically, in [REDACTED] So [REDACTED] is purchasing an additional [REDACTED]

So, in terms of pricing you have 2 options:

- 1) N= [REDACTED] of \$1600
- 2) N= [REDACTED] for a total of \$2,400

Please let me know right away as we've got to get instructions to field house. Thanks.

Erik
Erik Iverson
Moore Information, Inc.
(406) 544-8310



Michael Waite
FOR STATE TREASURER

Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

- Lincoln Day dinner/event Pacific County Lincoln Day Dinner
- Convention/caucus event _____
- Campaign event _____
- Other event _____

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer

Ticket cost = \$25.00

cost of event per person
= \$25.00

yes, we made zero profit.

Pierce County

Unity Event:

per person/

\$68.91

(Sept.)

Lincoln Day Dinner

per person/

32.89

(Feb.)

Via Phone from

Marion Hanek



Sermo Digital
7605 SE 27th St, Ste 204
Mercer Island, WA 98040-2835
US
(206) 354-8325
sermo@sermodigital.com

INVOICE

BILL TO

Hire Michael Waite for
Treasurer
PO Box 721
Bothell, WA 98041

INVOICE # 1547

DATE 07/08/2016

DUE DATE 07/08/2016

TERMS Due on receipt

ACTIVITY	QTY	RATE	AMOUNT
Online Ads Primary Election GOTV Ads	1	2,174.00	2,174.00
PAYMENT			2,174.00
BALANCE DUE			\$0.00

PAID



Sermo Digital
7605 SE 27th St, Ste 204
Mercer Island, WA 98040-2835
US
(206) 354-8325
sermo@sermodigital.com

INVOICE

BILL TO

Hire Michael Waite for
Treasurer
PO Box 721
Bothell, WA 98041

INVOICE # 1554

DATE 07/15/2016

DUE DATE 07/15/2016

TERMS Due on receipt

ACTIVITY	QTY	RATE	AMOUNT
Online Ads Primary Election GOTV Ads	1	14,130.00	14,130.00
PAYMENT			14,130.00
BALANCE DUE			\$0.00

PAID



Sermo Digital
7605 SE 27th St, Ste 204
Mercer Island, WA 98040-2835
US
(206) 354-8325
sermo@sermodigital.com

INVOICE

BILL TO

Hire Michael Waite for
Treasurer
PO Box 721
Bothell, WA 98041

INVOICE # 1560

DATE 07/27/2016

DUE DATE 07/27/2016

TERMS Due on receipt

ACTIVITY	QTY	RATE	AMOUNT
Online Ads Primary GOTV Ads	1	8,696.00	8,696.00
PAYMENT			8,696.00
BALANCE DUE			\$0.00

PAID



Michael Waite
FOR STATE TREASURER

Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

N/A
\$60.00
PER PERSON

Lincoln Day dinner/event

Skagit County Lincoln Day Dinner

Convention/caucus event

Campaign event

Other event

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer



Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

N/A

Lincoln Day dinner/event _____

Convention/caucus event _____

Campaign event _____

Other event Skagit County Annual
Salmon BBQ

\$25⁰⁰
PER PERSON

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer

From: Google Voice [mailto:voice-noreply@google.com]

Sent: Monday, December 26, 2016 12:23 PM

To: Michael Waite <mw@hiremichaelwaite.com>

Subject: New voicemail from (509) 991-7639 at 12:21 PM

Voicemail from: (509) 991-7639 at 12:21 PM

Hi, Michael. This is Diana. I'm treasure for the Spokane County Gop and somebody gave me a letter that you sent with regard to the Spokane County Lincoln day dinner. Whatever you paid for Lincoln day dinner tickets worth. \$75 I believe and so that \$75 cut cover the cost of our food refreshments facility rental space for booz information tables accept it so I don't know what else you need so I just wanted to let you know that I did finally get the letter that you sent to the spokane gop for this. Thank you. Bye.

Play message



Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

Lincoln Day dinner/event WSRP

Convention/caucus event _____

Campaign event _____

Other event WSRP Convention Registration

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer

Actual
Cost of Booth
was \$50.00



Dear Political Committee Treasurer:

I appreciated the opportunity to attend an event hosted by your committee earlier this year. It provided a great opportunity for me to meet political activists and potential grassroots supporters that I might not otherwise have connected with during my campaign.

I have been advised that, while I considered my payment for your event as a marketing cost for my campaign, I need to ensure that that my campaign did not make a political contribution to your committee. Therefore, I am asking if you can please provide me an estimate of the actual costs for the event (food, refreshments, facility rental space for booths, information tables, etc), so that I can properly account for the costs of the specific event identified below:

Lincoln Day dinner/event WSRP

Convention/caucus event _____

Campaign event _____

Other event Chinese New Year's Event

Rest assured that under no circumstances will I be seeking any refund from your committee for any portion of my payment for the event. This is simply to ensure appropriate internal accounting.

If you can provide me this estimate at your convenience, it would be much appreciated.

Cheers,

Michael Waite
Candidate, Washington State Treasurer

Actual cost
of ticket was
\$100 / person