



State of Washington
PUBLIC DISCLOSURE COMMISSION

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November 27, 2018

Delivered electronically to Craig Keller

Subject: Respect Washington (1) & (2) Complaint Return Cover Letter, PDC Cases
17727 & 23519

Mr. Keller:

Enclosed is a copy of a letter sent to Rich Eichstaedt concerning two complaints he filed with the Public Disclosure Commission (PDC). As noted below in the electronic letter to Mr. Eichstaedt, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

Pursuant to WAC 390-37-060(1)(b), Respect Washington is hereby formally warned concerning the failure to timely disclose contribution and expenditure activities, including in-kind contributions and expenditures related to legal fees. The formal written warning will include staff's expectation that Respect Washington will timely file complete and accurate reports in future years in accordance with PDC laws and rules, including the disclosure of expenditures, in-kind contributions, and debts and obligations.

The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules. For your information, contribution and expenditure activities, including the reporting of legal services are based on the accrual basis and disclosed when the legal services are provided to the political committee.

Based on these findings, PDC staff is dismissing the matters in PDC Case 17727 and PDC Case 23519 against Respect Washington in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young by e-mail at kurt.young@pdcc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Kurt Young
PDC Compliance Officer

/s _____
Peter Lavalley
Executive Director



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November 27, 2018

Delivered electronically to Rich Eichstaedt

Subject: Complaints filed against Respect Washington, PDC Cases 17727 & 23519

Dear Mr. Eichstaedt:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on May 4, 2017 (PDC Case 17727) and August 3, 2017 (PDC Case 23519). Your complaints alleged that Respect Washington, a political committee registered with the PDC as an “Other Political Committee” in 2017, failed to timely disclose either outstanding debts and obligations owed, or in-kind contributions received, on Summary Full Campaign Contribution and Expenditure reports (C-4 reports). Specifically, you alleged that Respect Washington (RW) failed to disclose legal fees and attorney costs related to Proposition 1, a proposed 2017 City of Spokane ballot proposition that would have allowed local law enforcement and other officials to ask about a person’s immigration status.

PDC staff reviewed the allegations listed in the complaints, the statutes, rules and reporting requirements for a political committee, the Monetary Contribution reports (C-3 reports) and C-4 reports filed by RW, and the responses submitted by B. Keller on August 10, 2017, and September 11, 2017. As a result of our review, we found the following:

- RW has been a political committee registered with the PDC since June of 2009 and has supported statewide ballot propositions and local ballot propositions since its inception, including local plastic bag bans. On February 10, 2017, RW filed a Committee Registration (C-1pc report) disclosing the committee was an “Other Political Committee”, selecting the Full Reporting option and listing B. Keller as the Campaign Manager and Treasurer. In 2017, RW supported local initiatives in the cities of Burien and Spokane concerning allowing local law enforcement and other officials to ask about a person’s immigration status.
- Staff’s review found that between August 7 through 18, 2017, RW filed 14 amended C-4 reports and six amended C-4 reports, to correct information disclosed on prior reports.
- Mr. Keller stated that RW disclosed expenditures in 2015 to print petitions in support of a City of Spokane ballot proposition, that were identified as "PAID FOR BY RESPECT WASHINGTON." He went on to state that “I do not believe there can be any legitimate confusion about which organization sponsored the Prop. 1 signature petition.”
- Mr. Keller stated with regards to the C-1pc report allegation that the City of Spokane Proposition 1 petition did not become a ballot campaign until it was referred to the Spokane County Auditor on April 11, 2016.

- Mr. Keller stated that RW continues to be organized as an "ongoing" "other political committee" supporting ballot propositions at both the state and local levels. In 2017, RW supported local ballot propositions in Spokane and Burien, and four candidates for Burien City Council.
- On August 25, 2017, a Spokane County Superior Court judge removed City of Spokane Proposition #1 from the November 7, 2017 general election ballot.
- Mr. Keller stated that RW legal expenses were “expended majorly in preparation for the Spokane County Superior Court session on August 25th” and that RW made an expenditure to Stephens & Klinge, LLP as “a small prepaid balance... for legal advice. RW filed an amended January 2017 C-4 report to reflect the portion of the legal fees pre-paid to Stephens & Klinge that was valued at \$255 concerning Proposition 1 in Spokane County.
- Mr. Keller stated that the remaining \$945 expenditure made to Stephens & Klinge was for “legal consultation” concerning Washington State initiatives I-1565, I-1566, and I-1567. He stated that throughout 2017, Stephens & Klinge was on retainer for RW, and that the invoices he received from Stephens and Klinge seemed “to occur as services are provided. The most recent invoices were paid on August 1st and August 14th. Those two payments are reported in the just-filed C4 and reflect expenditures toward Spokane Prop. 1.”
- In addition, Mr. Keller stated that the Immigration Reform Law Institute “donated legal services in August in the amount of \$2308 as of August 21 - also reflected in the just-filed C4 as a Spokane Prop. 1 expenditure.”
- PDC staff reviewed the C-4 reports filed by RW and found that several C-4 reports disclosed both expenditures and in-kind contributions for legal fees related to defense of Proposition 1 in the City of Spokane. The following C-4 reports filed by RW disclosed legal fees or legal services provided to the committee:
 1. RW filed a C-4 report on September 11, 2017, covering the period July 25 through August 31, 2017, disclosing two expenditures to Stephens & Klinge, LLP for legal fees, a \$1,273 expenditure made on August 1, 2017, and a \$1,003 expenditure made on August 14, 2017. The C-4 report also disclosed that RW received a \$2,308 in-kind contribution from the Immigration Reform Law organization located in Washington, DC for “Spokane Prop. 1 Defense Brief drafting.”
 2. RW filed a C-4 report on October 17, 2017, covering the period September 1 through October 16, 2017, disclosing a \$9,825 expenditure made to Stephens & Klinge, LLP on September 20, 2017, for “Spokane Prop. 1 Defense in Spokane County Superior Court.”
 3. RW filed a C-4 report on March 12, 2018, covering the period of February of 2018, disclosing a \$2,500 in-kind contribution received on February 12, 2018, from the Immigration Reform Law organization from Washington, DC for “Spokane Prop. 1 Defense Brief drafting.”
 4. RW filed a C-4 report on April 10, 2018, covering the period of March of 2018, disclosing a March 28, 2018 expenditure of \$4,381 to Stephens & Klinge, LLP for “Spokane Prop. 1 Defense”, and a March 28, 2018, expenditure of \$2,000 to Stephens & Klinge, LLP for “Spokane Prop. 1 Defense Prepay.” The C-4 report also disclosed a \$1,357 in-kind contribution from the Immigration Reform Law organization from Washington, DC for “Spokane Prop. 1 Defense to Stephens & Klinge, LLP.”

Respect Washington appears to have failed to timely disclose legal work that was provided to the committee either in the form of in-kind contributions for pro-bono legal work or committee expenditures made directly to a law firm. However, PDC staff has determined that in this instance, there is no evidence that supports a finding of a material violation warranting further investigation. For your information, contribution and expenditure activities, including the disclosure of legal services, are based on the accrual basis when the legal services are actually provided to the political committee.

Pursuant to WAC 390-37-060(1)(b), Respect Washington will receive a formal written warning concerning their failure to timely disclose contribution and expenditure activities, including in-kind contributions and expenditures related to legal fees. The formal written warning will include staff's expectation that Respect Washington will timely file complete and accurate reports in future years in accordance with PDC laws and rules, including the disclosure of expenditures, in-kind contributions, and debts and obligations. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Based on these findings, PDC staff is dismissing the matters in PDC Case 17727 and PDC Case 23519 against Respect Washington in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Kurt Young
PDC Compliance Officer

/s _____
Peter Lavallee
Executive Director

cc: B. Keller

