

# State of Washington PUBLIC DISCLOSURE COMMISSION

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TO:	Members, Public Disclosure Commission
FROM:	Nancy Krier, General Counsel
DATE:	April 17, 2013
SUBJECT:	Continued Discussion of Evolving Technology and Campaigns -
	Text Message Contributions Developments - Interpretations 95-05
	(Fundraising Through 900 Telephone Numbers) and 00-02 (Guidelines
	for Internet Contributions) – April 25, 2013 Meeting

## Agenda Item

At its April 25 meeting, the Commission is scheduled to receive more information on how text message contributions are processed. This information is part of the Commission's continued discussion of evolving technology and campaigns in its consideration of possible amendments to Interpretations 95-05 (*Fundraising Through 900 Telephone Numbers*), and 00-02 (*Guidelines for Internet Contributions*).

Alan Sege has been invited to address the Commission. Mr. Sege is the Executive Vice President and General Counsel at payvia, a mobile payments company which is part of m-Qube, Inc. M-Qube was the entity that requested and received an advisory opinion from the Federal Election Commission regarding political contributions via text message during the 2012 Presidential campaign. Mr. Sege is planning to participate in the April 25 meeting by telephone.

### Background

The Commission has been updating its interpretive statements after RCW 42.17 was recodified to RCW 42.17A in January 2012. The Commission has discussed possibly combining and standardizing Interpretations 95-05 and 00-02 to update the procedures for contributions made via 900 telephone numbers and the Internet, and perhaps adding procedures for text message contributions.

Beginning in May 2012, the Commission reviewed background materials and wireless text message campaign contributions information from the FEC and three states (California, Maryland and Texas). The Commission also received stakeholder input including from CTIA – The Wireless Association, T-Mobile and others. In February, in its discussion, the Commission raised these questions:

- What amount of money was raised during the 2012 elections via text message?
- How many contributors used that method (and what percentage of contributors gave via text message)?
- How are multiple contributions from one mobile phone handled?

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- What timeframe does a contributor have to respond to a carrier's request for confirmation or more information (confirming the contribution is to be made, or replying to a request for more information about the contributor that may be required under state campaign finance laws)?
- What percentage of a contribution goes to a campaign and what percentage goes to the carrier?

After the February meeting, Mr. Hallisky, a representative from T-Mobile, provided two articles and a website page to address the first question concerning the amount of contributions raised via text message.

Those articles and website page are:

- Obama Campaign May Have Raised \$1.5 Million Through Texts, Reports Show, <u>Bloomberg BNA</u> (Dec. 18, 2012). The article describes that the Obama reelection campaign raised more than \$1.5 million in contributions via text messaging in 2012, even though that method was available only in the final months of the 2012 Presidential campaign.
- Obama Fundraising Powered by Small Donors, New Study Shows, Washington Post (Feb. 8, 2012). The article describes that nearly half of the contributors to the Obama reelection campaign in 2011 gave \$200 or less, more than double the proportion in 2007 and in contrast to nine percent of contributors during the same time period giving the same amount to the Romney campaign.
- Page from <u>www.opensecrets.org</u> at the Center for Responsive Politics. It showed overall contributions and spending by Presidential candidates Obama and Romney, comparing the amount of contributions by small individual contributors with those made by large individual contributors. See enclosed copy of website page and additional data on the Presidential campaign from that same website location.

Copies of the articles will also be provided to the Commission.

In addition, in February, Mr. Hallisky had also suggested inviting Mr. Sege to speak to the Commission regarding the questions discussed in February. Payvia is a mobile and online payments company enabling users to make payments via their mobile phone, including payments other than political contributions.

Enclosure: Website page from www.opensecrets.org



(e.g. Donors, Politicians, Corporations and more)





Presidential candidates have already raised and spent millions of dollars in the 2012 campaign, as we know from the reports they're required to file each month with the Federal Election Commission. Here OpenSecrets.org highlights how the White House hopefuls are stacking up in the money chase, highlighting a comparison of the front-runners.

See all active candidates

See <u>all candidates</u> -- including those who have dropped out.



BLUE TEAM \$1,107,029,174 RED TEAM \$1,238,072,571

### Source of Funds

Raised

Spent

Debts

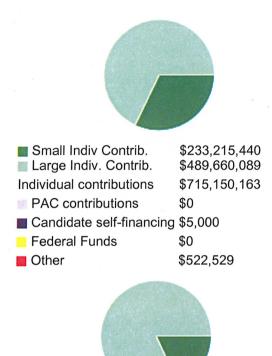
Cash

(on Hand)

Overall

(See More)

Spending



<ul> <li>Small Indiv. Contrib.</li> <li>Large Indiv. Contrib.</li> </ul>	\$79,806,091 \$366,336,696
Individual contributions	\$443,363,010 \$1,076,496
Candidate self-financing	\$52,500
Federal Funds	\$0
Other	\$1,643,991
View Source of Funds for A	Il Candidates

## **Top Contributors**

Barack Obama (D)				
1 University of California	\$1,212,245			
2 Microsoft Corp	\$814,645			
3 Google Inc	\$801,770			
4 US Government	\$728,647			
5 Harvard University	\$668,368			
Mitt Romney (R)				
1 Goldman Sachs	\$1,033,204			
2 Bank of America	\$1,013,402			
3 Morgan Stanley	\$911,305			
4 JPMorgan Chase & Co	\$834,096			
5 Wells Fargo	\$677,076			
View Top Contributors for	All Candidates			

NOTE: The organizations themselves did not donate, rather the money came from the organizations' PACs, their individual members or employees or owners, and those individuals' immediate families. Organization totals include subsidiaries and affiliates.

## **Top States**

Barack Obama (D) California \$62,759,989 New York \$36,982,096 Illinois \$17,847,698 Massachusetts \$17,315,441 Texas \$15,240,394 Mitt Romney (R) California \$41,290,366 Texas \$36,364,691 Florida \$31,101,749 New York \$24,670,565 \$13,901,197 Virginia View Top States for All Candidates

## **Sector Totals**

Barack Obama (D)	
Agribusiness	\$2,067,055
Communications/ Electronics	\$20,723,578
Construction	\$4,172,690
Defense	\$1,141,130
Energy & Natural Resources	\$2,410,062
Finance, Insurance & Real Estate	\$20,431,321
Health	\$18,914,849
Lawyers & Lobbyists	\$27,959,192
Transportation	\$1,378,606
Misc Business	\$22,598,697
Labor	\$494,094
Ideological/ Single-Issue	\$17,276,836
Other	\$91,795,660
Mitt Romney (R)	
Agribusiness	\$7,409,733
<b>Communications/ Electronics</b>	\$7,518,745
Construction	\$9,734,459
Defense	\$1,365,334
Energy & Natural Resources	\$9,788,922
Finance, Insurance & Real Estate	\$58,902,452
Health	\$18,692,033
Lawyers & Lobbyists	\$15,791,881
Transportation	\$5,803,510

Misc Business	\$29,090,785	
Labor	\$4,250	
Ideological/ Single-Issue	\$10,522,878	
Other	\$72,942,064	
View Sector Totals for All Candidates		

## **Top Industries**

Barack Obama (D) Retired \$54,522,578 Lawyers/Law Firms \$27,533,147 Education \$21,615,820 Health Professionals \$10,456,340 **Business Services** \$8,646,106 Mitt Romney (R) Retired \$64,727,865 Securities & Investment \$21,525,657 Real Estate \$14,895,300 Lawyers/Law Firms \$14,285,200 Health Professionals \$12,598,997 View Top Industries for All Candidates

### **Spending Related to Presidential Race**

🛅 Blue Team

Candidate Spending	\$683,546,548
National Party Spending	\$292,264,802
Outside Spending	\$131,217,824
Total	\$1,107,029,174

Red Team

Candidate Spending	\$433,281,516
National Party Spending	\$386,180,565
Outside Spending	\$418,610,490
Total	\$1,238,072,571

Why (and How) We Use Donors' Employer/Occupation Information

#### **METHODOLOGY**

NOTE: All the numbers on this page are for the 2012 election cycle and based on Federal Election Commission data released electronically on Monday, March 25, 2013. ("<u>Help!</u> The numbers don't add up...")

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