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Original via electronic mail to: Jacob.Berkey@pdc.wa.gov

January 9, 2017

Jacob Berkey
Public Disclosure Commission
711 Capitol Way, Rm. 206
P. O. Box 40908
Olympia, WA 98504-0908

Re: PDC Complaint # 11340 (Kshama Sawant)
Our File No. 6550-001

Dear Mr. Berkey:

We write to you today on behalf of our client, Kshama Sawant, in response to your December 29, 2016 request for a written response to the allegations in the complaint filed December 28, 2016. The complaint alleges that Ms. Sawant engaged in several violations of RCW 42.17A. We address each of the allegations in turn below.

ALLEGATION (1):

Failure to include sponsor identification on her campaign website. (Violation of RCW 42.17A.320(1). "If you got to www.kshamasawant.org, you can clearly see that she has failed to include the paid for by statement at the bottom of her website, as required by state law."

RESPONSE:

As designed, produced and presented to the public as part of the Sawant campaign, the website had the appropriate "paid for by" statement at the bottom of the website as evidenced at:

- <https://web.archive.org/web/20150810154629/http://kshamasawant.org/>,
- <https://web.archive.org/web/20150915213149/http://kshamasawant.org/>, and
- <https://web.archive.org/web/20150512190351/http://www.kshamasawant.org/>.

That the website currently lacks that language is not a violation of any campaign disclosure requirement because no election campaign is in progress.

ALLEGATION (2):

Failure to list professional photography as an inkind donation or expenditure. "Sawant has numerous pieces of professional photography that are used on her website and in mailers/doorbelling cards that have gone unreported as inkind donations or expenditures. This is a violation of state law."

RESPONSE:

The campaign properly reported professional photography for use on its website and mailers.

On March 10, 2015, a C4 report covering the time period 2/1/2015-2/28/2015 was filed by the Kshama Sawant Re-Election campaign treasurer in which one of the expenditures listed was paid to an "Alex Garland" on February 13, 2015 in the amount of \$100.00 for "Kshama Sawant portrait." On July 28, 2015, a C4 report covering the time period 7/14/2015-7/27/2015 was filed by the campaign treasurer in which one of the expenditures listed was paid to the same "Alex Garland" on July 23, 2015 in the amount of \$75.00 for "Portrait of candidate."

ALLEGATION (3):

Failure to list all committee officers on C1 (Violation of 42.17A.205(2)(c), see WAC 390-05245). "The Vote Sawant committee failed to list Calvin Priest, Kshama Sawant, Jonathon Rosenblum, Joshua Koritz, Jeff Upthegrove, and Bryan Watson as officers, which is required by RCW 42.17A.205(2)(c). The above individuals meet the definition of officers under WAC 39005245 because they, in conjunction with others, made, directed, or authorized expenditures, strategic or policy decisions on behalf of the committee."

RESPONSE:

The Kshama Sawant Re-Election Campaign properly reported committee officers. According to RCW 42.17A.205(2)(k), a committee officer is defined as: "any person who authorizes expenditures or makes decisions on behalf of the candidate or committee." The allegations list employees and contract workers of the campaign which is distinct from "committee officers" in that none of the listed had the authority to "authorize[s] expenditures or make[s] decisions on behalf of the candidate or committee."

The allegations also list the candidate herself in its complaint. According to the C1 Candidate Registration Form, Line 7: "Committee Officers and other persons who authorize expenditures or make decisions on ***your*** behalf." (bold and italics added). This implies the candidate is an officer, since presumably it is the candidate that the form is referring to (and who is filling in the form).

ALLEGATION (4):

Illegal personal use of campaign funds. (Violation of RCW 42.17A.445)

"Throughout her entire 2015 campaign, the Sawant campaign paid Calvin Priest for "campaign consulting." Online, Priest lists his job as political organizer at the Socialist Alternative: an organization dedicated to promoting socialist policies in Seattle. Calvin Priest is Sawant's domestic partner. Cumulatively, the Sawant campaign paid Sawant's husband \$22,058.45, the largest amount of money given to any other vendor, with the exception of her direct mail printer.

Vote Sawant expenditures to Priest began in early February, when there was very little campaign activity and little work to be done.

It is highly likely that Sawant paid Priest as a way to bypass the requirements of RCW 42.17A.445 and personally benefit from her campaign's largess. Calvin Priest is not a professional campaign consultant. Additionally, despite being paid by the Sawant campaign, Priest spent much of his time working on activities for the Socialist Alternative group, which also constitutes an illegal use of campaign monies. On 5/12/2016, the Sawant campaign also paid \$154.95 for an "office remodel" of their headquarters at the Socialist Alternative, which also constitutes an illegal use of campaign funds. This expenditure illegally benefited the Socialist Alternative."

RESPONSE:

The campaign did not violate RCW 42.17A.445. The allegations do not provide any concrete evidence of wrongdoing, only innuendo. The campaign entered into a legal employment arrangement with Mr. Calvin Priest to provide campaign consulting. Employment began in February when the campaign needed consulting services. By February, the campaign was already robustly underway, as evidenced by fundraising results of greater than \$17,000.00.

In regards to the allegation of an office remodel constituting an illegal use of campaign funds: the "office remodel" (building of a wall) was of campaign office space shared with Socialist Alternative that directly benefited the campaign.

ALLEGATION (5):

- a. *Listing improper letter code on F1 to show income,*
 - (i) *"On her F1 (filed on 4/15/2016), Sawant lists her spouse's compensation from her campaign using the letter "C," which has a range of \$24,000 to \$47,999. Priest received compensation of \$20,658.45 from the Sawant campaign during the year of 2015. This means that he must use the letter "B" to describe his compensation, which was within the range of \$4,500 to \$23,999. Sawant must amend this form to include the correct level of her campaign's compensation to her spouse."*
- b. *failure to show level of compensation from "15 now"*
 - (i) *"Sawant also failed to include the level of compensation she received from the organization "15 now." She also failed to include many other details about her role in this organization."*
- c. *failure to acknowledge understanding of RCW 42.17A.555*
 - (i) *"Additionally, Sawant failed to check the box that says: "I hold a local elected office. I have read and am familiar with RCW 42.17A.555 regarding the use of public facilities in campaigns.""*
- d. *failure to give accurate email address as contact information. (Violation of RCW 42.17A.700, see WAC 39024010).*
 - (i) *"Finally, Sawant lists: "kshama.sawant@seattle.gov" as her email address. The accurate address would be kshama.sawant@seattle.gov."*

RESPONSE:

- a. Kshama Sawant did not list an improper letter code on F1 for Sawant's domestic partner Mr. Calvin Priest. Mr. Priest was paid \$24,251.00 in 2015 by the campaign, which fulfills the requirement for a "C." This includes \$4,251.00 when Mr. Priest was employed as a contractor for the campaign and \$20,000.00 when Mr. Priest was employed as a salaried employee of the campaign.
- b. Kshama Sawant is not, nor has ever been, an employee officer, or worked for or been paid for any services by the organization 15 Now. Kshama Sawant is not, nor has ever been, an officer or held any position with 15 Now.
- c. The language regarding acknowledging understanding of RCW 42.17A.555 is ambiguous on the F1 form, where this issue is raised. The F1 form says expressly, "ALL FILERS ***EXCEPT CANDIDATES***. Check the appropriate box." (bold and italics added) and then offers two choices: one pertaining to state elected office or employment and the other stating: "*I hold a local elected office. I have read and am familiar with RCW 42.17A.555 regarding the use of public facilities in campaigns.*" Sawant was both a candidate and an elected officeholder.
- d. This was a typographical error.

ALLEGATION (6):

Illegal donation to political committee/illegal use of campaign money for personal purposes (Violation of RCW 42.17A.430 or RCW 42.17A.445). "Sawant's campaign made the following donation to the Hawkins for Governor campaign located in New York."

RESPONSE:

On May 11, 2015, a C3 report was filed by the Kshama Sawant Re-Election campaign treasurer for a deposit on April 18, 2015 that included a \$250.00 contribution to our campaign from "Hawkins for Governor," a political committee based in New York.

On June 15, 2015, the Seattle Ethics and Elections Commission (SEEC) informed the Kshama Sawant Re-Election Campaign that an out-of-state committee would not be eligible to contribute to a Washington State campaign unless it had received, in the previous six months, at least \$10.00 in contributions from each of at least 10 persons registered to vote in Washington State.

After contacting "Hawkins for Governor," the Kshama Sawant Re-Election Campaign determined that they were not qualified to contribute to the re-election campaign and a refund of the contribution by "Hawkins for Governor" was issued to them.

On July 14, 2015, a C4 report covering the time period 6/1/2015-7/13/2015 was filed by the campaign treasurer in which one of the expenditures listed was “Hawkins for Governor” on June 25, 2015 in the amount of \$250.00 for “Non-state committee not qualified to contribute to state campaigns;” also listed in the “Corrections” section (to both “Contributions” and “Expenditures”) of that C4 report was the same “Hawkins for Governor” whose cumulative contributions to the re-election campaign were corrected from \$250.00 to \$0.00.

The “donation” in question was instead the refunding of an unqualified contribution by “Hawkins for Governor” to the re-election campaign, and not a contribution by the campaign to “Hawkins for Governor.”

ALLEGATION (7):

Illegal use of campaign money for personal purposes to host a postelection “Rally for Socialism Event” which had the main purpose of increasing membership to the Socialist Alternative. (Violation of RCW 42.17A.445, see WAC 39016238)

This is the expenditure in question:

ALEXANDER PARTY RENTALS 11/25/2015 \$324.83 TUKWILA WA 98188 VARIOUS EQUIPMENT FOR RALLY FOR SOCIALISM EVENT

Attached is the description of the event: Curious about Socialist Alternative? Want to learn more about the organization that Kshama Sawant is a member of? Check out Five Reasons to Join Socialist Alternative and come out this Saturday!

Kshama’s reelection was just the beginning now it’s time to build the movement!

Facebook Event: <https://www.facebook.com/events/806325912828780/>

WHEN November 14, 2015 at 2pm 3:30pm

RESPONSE:

The Kshama Sawant Re-Election Campaign (Vote Sawant) did not violate RCW 42.17A.445, see WAC 39016238. The C4 covering 10/27/2015-11/30/2015 that this complaint is based on is in error - the \$324.83 paid to Alexander Party Rentals was not for “various equipment for Rally for Socialism event” but rather the final payment on “various equipment for the Election Night Party.” See **Exhibit A** (invoice from vendor).

The Kshama Sawant Re-Election Campaign (Vote Sawant) did not pay for anything related to the event hosted by Socialist Alternative (a separate legal entity) on November 14, 2015, as alleged by the complaint through inaccurate assumptions.

See also Facebook Event: <https://www.facebook.com/events/806325912828780/>

ALLEGATION (8):

Failure to accurately report debt. (Violation of RCW 42.17A.240(8):

- a. *The following mailer expenses were incurred however the accompanying printing debt was not properly reported: CAPITOL CITY PRESS 7/27/2015 \$4,207.10 TUMWATER WA 98512 POSTAGE*
- b. *The following accompanying expenditure was not reported as debt on the C4 submitted on 7/26 covering the time period of 7/12 to 7/25: CAPITOL CITY PRESS 7/31/2015 \$13,681.78 TUMWATER WA 98512*
- c. *Additionally, all of these expenses should have been reported as debt on the C4 covering the time period of 10/27/2015 to 11/30/2015: (See complaint)*

RESPONSE:

- a. On July 29, 2015, the Vote Sawant campaign treasurer filed a C4 report in which one of the expenditures listed was paid to Capitol City Press on July 27, 2015, in the amount of \$4,207.10 for "Postage for Vote Sawant mailer." The invoice from this vendor lists an invoice date of July 24, 2015, i.e. within the same, and correct, C4 reporting period.
- b. On September 10, 2015, the campaign treasurer filed a C4 report in which one of the expenditures listed was paid to Capitol City Press on July 31, 2015 in the amount of \$13,681.78 for "Vote Sawant mailers (70,000)." The campaign acknowledges it erred in reporting this late, and has satisfied the SEEC on this issue by paying a fine.
- c. All of these expenditures were made after December 1, 2015, and in each case the exact amount of the expenditure was received from the vendor during the same C4 reporting period as the one in which the expenditure was paid. So there was no debt to report.

ALLEGATION (9):

Failure to accurately describe expenditures and breakdown media buys (Violation of RCW 42.17A.235 & .240). The PDC requires that: "Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.)."

RESPONSE:

The Kshama Sawant Re-Election Campaign did not violate RCW 42.17A.235 & .240.

While the PDC website does state the requirement that "Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.)," neither the applicable statutes (RCW 42.17A.235 & .240) or the relevant WAC (390-16-037) requires this. In particular, WAC 390-16-037 requires that the filer report the date, amount paid, and media outlet, all of which Vote Sawant complied with, but does not require that expenditures for media buys be broken out by the "run dates" of each ad. Nor do any of the pertinent PDC forms, such as the C-4, purport to independently impose any such requirement.

ALLEGATION (10):

Failure to accurately file accurate C4 reports by deadline. (Violation of RCW 42.17A.235 &.240)

According to the PDC, the accurate report of expenditures (C4) for the time period of 10/27/2015 to 11/31/2015 was due on 12/10/2015.

Unfortunately, Sawant's campaign failed to file an accurate report containing all the requisite information in a timely manner. Sawant's original C4 for this time period (Ref. # 100671699) failed to include a debt of \$4000.00 owed to the Unitarian Church of All Souls.

Sawant's campaign failed to file an accurate report until 5/9/2016, when she submitted an amended C4 that included this debt. This is well past the statutory deadline.

RESPONSE:

Accurate C4 reports were filed on time, given the circumstances. On July 14, 2015, a C4 report covering the time period 6/1/2015-7/13/2015 was filed by the campaign treasurer in which one of the expenditures listed was paid to "Unitarian Church of All Souls" on June 2, 2015 in the amount of \$4,000.00 for "Venue rental for New York fundraiser." By mid-December 2015, i.e. beyond its 180 day period of validity, the check written to pay for this expenditure had yet to be cashed, despite attempts to contact the vendor, and no attempt by the vendor to contact us.

The campaign treasurer finally made email contact with the vendor in early January 2016, with the response from them being "someone will look into what happened with that check." The vendor did not respond to numerous follow-up emails/phone calls over the next few months.

Regardless, on January 12, 2016, a C4 report covering the time period 6/1/2015-7/13/2015 was filed in which "Unitarian Church of All Souls" was no longer listed as one of the expenditures but instead listed as an obligation/debt with an addendum stating "Debt to Unitarian Church of All Souls originally paid with check 1271 on 06/02/2015, but check not cashed and thus void after 180 days."

After consultation with the SEEC, it was agreed that we would hold off on amending all C4 reports subsequent to the 6/1/2015-7/13/2015 reporting period. Finally, in late April 2016, the campaign treasurer was able to make phone contact with the vendor, and at that point it was determined that an agent of the vendor had lost the check written to the vendor for that expenditure.

On May 8 and 9, 2015, C4 reports covering the time periods 6/1/2015-7/13/2015, 7/14/2015-7/27/2015, 7/28/2015-8/31/2015, 9/1/2015-10/12/2015, 10/13/2015-10/26/2015, 10/27/2015-11/30/2015, 12/1/2015-12/31/2015, 1/1/2016-1/31/2016, 2/1/2016-2/29/2016, and 3/1/2016-3/31/2016 were filed by the campaign treasurer in which "Unitarian Church of All Souls" was listed as an obligation/debt; on May 10, 2015, a C4 report covering the time period 4/1/2016-4/30/2016 was filed by the campaign treasurer in which one of the expenditures listed was paid to "Unitarian Church of All Souls" on April 30, 2016 in the amount of \$3,000.00, and one of the

in-kind contributions listed was received from “Unitarian Church of All Souls” in the amount of \$500.00, leaving an obligation/debt to them of \$500.00.

ALLEGATION (11):

*Failure to submit accurate contribution reports (C3) and expenditure reports (C4).
(Violation of 42.17A.235 & .240)*

RESPONSE:

Each of these “expenditures” was listed in the “Expenditures” section of the appropriate C4 report, as well as in the “Corrections” (to both “Contributions” and “Expenditures”) section of the same C4 report. It is our understanding that if C3 reports were amended in the way the complainant claims, the total amount of the deposit would no longer agree with what our bank records show was the deposit amount. Regardless, with each “reimbursement” an addendum was included in the appropriate C3 report indicating that a refund was issued.

We trust that this satisfies your inquiry, and clarifies some of the outright erroneous allegations made against Ms. Sawant. If you have any questions, or if there is anything we can do to be of further assistance to you, please do not hesitate to contact us.

Sincerely,



Dmitri Iglitzin
Laura Ewan

Attorneys for Kshama Sawant

cc: Kshama Sawant
Walter Smith (*via email*)

Remit To:

ALEXANDER PARTY RENTALS
1127 ANDOVER PARK WEST
SEATTLE, WA 98188
www.alexanderpartyrentals.com



Paid in Full

Completed	Invoice#
Tue 11/24/2015	3364

Bill to: **Customer #: 46249**

MCARTHUR, EMILY
185 R HEATH ST
JAMAICA PLAIN, MA 02130

Job Descr: CAMPAIGN TO RE-ELECT KSHAMA SA

Date Out Tue 11/ 3/2015

Terms	Aging Date
Due upon receipt	Tue 11/24/2015

Ordered By: EMILY MCARTHUR 857 415-0677

Delivery and Pickup

Delivery: Tue 11/ 3/2015 2:00PM - 3:00PM

Contact: MCARTHUR, EMILY

Pickup Date: Wed 11/ 4/2015 8:00AM - 12:00PM

Phone: 857-415-0677

Location: MELROSE MARKET STUDIO

Used at Address: 1532 MINOR AVE ; SEATTLE, WA 98122

Delivery Notes: CALL OTW

Qty	Items	Disc%	Status	Each	Price
3	STAGE 4'X4' INSTALLED 1day \$28.00 4weeks \$112.00 ADDED ON TWO PIECES AFTER INITIAL DELIVERY		Returned	\$27.00	\$81.00
12	__STAGE LEG 1 1/2 X 12		Returned	\$0.00	\$0.00
2	TABLE 6'X30" BANQUET WOOD 1day \$10.50 4weeks \$42.00 MISSING ON PICKUP EMAILED 11/4/15--CLIENT HAS WILL RETURN		Returned	\$10.00	\$20.00
2	BEVERAGE DISPENSER LUCITE 1day \$10.50 4weeks \$42.00		Returned	\$10.50	\$21.00
1	TUB GALVANIZED 12 GAL 1day \$7.00 4weeks \$28.00		Returned	\$6.50	\$6.50
2	TUB GALVANIZED 33 GAL 1day \$15.00 4weeks \$60.00		Returned	\$14.00	\$28.00
113	GLASS WINE TALL 6 OZ 1day \$0.48 4weeks \$1.92		Returned	\$0.47	\$53.11
325	GLASS BEVERAGE 14 OZ 1day \$0.48 4weeks \$1.92		Returned	\$0.47	\$152.75
8	GLASS WINE TALL 8 OZ. 1day \$0.48 4weeks \$1.92 MISSING ON PICKUP EMAILED 11/4/15--LOST CHARGE REPLACEMENT ON CLOSE		Returned	\$0.47	\$3.76
79	GLASS WINE TALL 8 OZ. 1day \$0.48 4weeks \$1.92		Returned	\$0.47	\$37.13
6	CLOTH 90X132 RED 1day \$19.00 4weeks \$76.00		Returned	\$18.50	\$111.00
1	LINEN RETURN BAG 50		Returned	\$0.00	\$0.00
1	CARRIER COUNT KIT		Returned	\$0.00	\$0.00
5	GLASSWARE RACK 36 COUNT		Returned	\$0.00	\$0.00
13	GLASSWARE RACK 25 COUNT		Returned	\$0.00	\$0.00
1	GLASSWARE BOX 12 COUNT		Returned	\$0.00	\$0.00
2	TABLE 6'X30" BANQUET WOOD NEVER RETURNED	0%	Sold Asset	\$130.00	\$260.00
2	GLASS WINE TALL 6 OZ Damage covered by damage waiver. MISSING ON PICKUP	0%	Sold Asset	\$0.00	\$0.00
2	GLASS BEVERAGE 14 OZ Damage covered by damage waiver. MISSING ON PICKUP	0%	Sold Asset	\$0.00	\$0.00

Qty	Items	Disc%	Status	Each	Price
8	GLASS WINE TALL 8 OZ.	0%	Sold Asset	\$4.00	\$32.00
	LOST				
1	DELIVERY & PICK UP	0%	Sold	\$175.00	\$175.00

Please pay from this invoice.

Payments made on this contract:

Rental/Sale Paid	\$20.00	Fri 10/30/2015 3:39PM Credit Card M/C xxxx-xxxx-xxxx-5643 Auth:355358
Rental/Sale Paid	\$680.35	Mon 11/ 2/2015 4:07PM Credit Card M/C xxxx-xxxx-xxxx-5643 Auth:941027
Rental/Sale Paid	\$112.17	Tue 11/ 3/2015 2:16PM Credit Card M/C xxxx-xxxx-xxxx-5643 Auth:680670
Rental/Sale Paid	\$324.83	Tue 11/24/2015 11:57AM Credit Card M/C xxxx-xxxx-xxxx-5643 Auth:296742

Total \$1,137.35

EQUIPMENT IS SOLD AS IS! ALL SALES ARE FINAL! RETURNS OF ASSET SALES ARE ACCEPTED AT THE SOLE DISCRETION OF APR STAFF AND IN NO WAY GUARANTEED.

Rental and Sales:	Misc Charges:	Energy Chg:	Damage Waiver	SEATTLE:
\$981.25	\$0.00	\$15.34	\$41.14	\$99.62

Payment Due upon receipt

Total Amount:	\$1,137.35	Total Paid	\$1,137.35	Total Due	\$0.00
206-282-1987 Phone			253-981-4956 Fax		