



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE)	PDC CASE NO: 12-109
WITH RCW 42.17)	
)	
NEW AMERICANS FOR)	REPORT OF INVESTIGATION
ACCOUNTABLE GOVERNMENT)	
)	
Respondent.)	
_____)	

I.

BACKGROUND

1.1 New Americans for Accountable Government (New Americans or NAAG) is a political committee located in Bellevue, Washington. New Americans filed a Committee Registration (Form C-1pc) on October 14, 2010, listing Conrad Lee and Norm Wietting as NAAG's officers. Mr. Lee is the Mayor of Bellevue. On the C-1pc, New Americans indicated it was formed to conduct activity in the 2010 election only, specifically to support four Republican candidates for the legislature in the 41st and 48th legislative districts.

II.

ALLEGATIONS IN COMPLAINT

- 2.1 On August 12, 2011, Steve Finley of Bellevue, Washington, filed a complaint against New Americans for Accountable Government. On August 16, 2011, Mr. Finley filed a revised complaint, adding an allegation to his original complaint. **(Exhibit 1)**
- 2.2 Mr. Finley alleged that NAAG violated RCW 42.17.080 and RCW 42.17.090¹ by failing to file its 2010 Post General Election Campaign Summary Receipts & Expenditures report (Form C-4) for the reporting period October 26 - November 30, 2010. He stated that a comparison of contribution and expenditure totals at the close of the 7-day pre-

¹ Effective January 1, 2012, RCW 42.17.080 and .090 were recodified as RCW 42.17A.235 and .240, respectively.

general election C-4 reporting period with the carry-forward contribution and expenditure totals included on the December 2010 C-4 report showed that NAAG made expenditures during the 7-day C-4 reporting period that had not been reported.

- 2.3 Mr. Finley alleged that the Committee violated RCW 42.17.103 by failing to disclose Independent Expenditures made to support four state legislative candidates during 2010.² He said the four benefitting candidates were Greg Bennett, Phil Wilson, Steve Litzow, and Peter Dunbar.
- 2.4 Mr. Finley also alleged that the Committee violated RCW 42.17.095³ by accepting a \$1,500 contribution from the 2009 Friends of Conrad Lee campaign. Because RCW 42.17.095 prohibits a candidate from making a contribution to a political committee, but does not prohibit a committee from accepting such a contribution, this allegation was not investigated as part of the complaint against New Americans for Accountable Government. However, the allegation was investigated as part of a separate complaint filed against Conrad Lee (PDC Case No. 12-108).

III.

FINDINGS

- 3.1 On October 14, 2010, New Americans for Accountable Government filed a Committee Registration (Form C1-pc).
- 3.2 On October 20, 2010, NAAG presented mailings and telephone calls to the public, supporting the following candidates:
- Greg Bennett, candidate, State Senate, 48th Legislative District
 - Phil Wilson, candidate, State Representative, 48th Legislative District
 - Steve Litzow, candidate, State Senate, 41st Legislative District
 - Peter Dunbar, candidate, State Representative, 41st Legislative District

The expenditures for the mailings and telephone calls were made independent of the candidates' committees.

- 3.3 NAAG was required to file three C-4 reports disclosing its campaign activity conducted during 2010, and a Reporting Form for Independent Expenditures, Independent Expenditure Ads, and Electioneering Communications (Form C-6) within 24 hours of presenting its October 20, 2010 Independent Expenditures to the public.
- 3.4 NAAG did not file a C-6 report of Independent Expenditures, as required, on October 21, 2010.

² Effective January 1, 2012, RCW 42.17.103 was recodified as RCW 42.17A.260.

³ Effective January 1, 2012, RCW 42.17.095 was recodified as RCW 42.17A.430.

- 3.5 On its 7-day Pre-General C-4, the Committee reported spending \$2,973 on postage during the period. The committee also reported \$4,842 for orders placed for printing and robo-calls. No information was provided concerning who the expenditures and orders placed may have supported or opposed. **(Exhibit 2)**
- 3.6 NAAG did not file the Post-General Election C-4 report that was due on December 10, 2010.
- 3.7 On January 10, 2011, NAAG filed a C-4 report covering the month of December 2010. The report disclosed \$3,161 in expenditures for consulting, printing, mailing labels and telephone calls, but again did not disclose the purpose of the expenditures (i.e., whether the expenditures supported or opposed candidates, and if so, which candidates the expenditures supported or opposed).
- 3.8 On October 11, 2012, NAAG filed a C-4 report covering the Post-General Election C-4 reporting period of October 26 – November 30, 2010. The report disclosed \$3,681 in expenditures for design and printing, and \$1,161 in debts and obligations outstanding as of the close of the reporting period. The debts were described as obligations for mailing labels and telephone calls supporting Greg Bennett, Phil Wilson, Steve Litzow, and Peter Dunbar. The report was due on December 10, 2010, and was filed 671 days late. **(Exhibit 3)**
- 3.9 The following table summarizes C-4 reports required for the Committee:

C-4 REPORT	DUE	FILED	DAYS LATE	Period Contributions	Period Expenditures	Debts & Obligations
7-day pre-general <i>Oct. 12-25, 2010</i>	10/26/10	10/26/10	0	\$4,000	\$2,973	\$4,852
Post General <i>Oct. 26-Nov. 30, 2010</i>	12/10/10	10/11/12	671	\$4,200	\$3,681	\$1,161
End of Election Cycle December, 2010	1/10/11	1/10/11	0	\$2,000	\$3,161	0
			TOTALS	\$10,200	\$9,816	\$6,003

- 3.10 On September 30, 2011, NAAG filed an Independent Expenditure report (PDC form C-6), disclosing \$7,800 in political advertising expenditures presented to the public on October 20, 2010. **(Exhibit 4)** The expenditures supported Greg Bennett, Phil Wilson, Steve Litzow, and Peter Dunbar. The C-6 was filed 344 days late.
- 3.11 On October 4, 2011, NAAG treasurer Norm Wietting submitted a complaint response letter. **(Exhibit 5)**

- 3.12 Mr. Wietting stated that he believed the Post General Election C-4 report had been electronically submitted, however, he was unable to provide a confirmation email from the PDC for this report. PDC electronic filing logs indicate that an attempt to submit the report was made 25 days late on January 4, 2011, but that the attempt was unsuccessful. Thus no email confirmation was generated.
- 3.13 In his response letter, Mr. Wietting stated that NAAG was not aware that the committee was required to report its independent expenditures on any form other than on the C-4 report. He stated that making independent expenditures was a new experience and errors were inadvertently made.

IV.

SCOPE

- 4.1 PDC staff reviewed campaign finance reports filed by New Americans for Accountable Government, a political committee.
- 4.2 PDC staff corresponded with Norm Wietting, campaign treasurer for both Friends of Conrad Lee and New Americans for Accountable Government.

V.

LAW

RCW 42.17.080 and .090 require candidates and political committees to file timely, accurate reports of contributions and expenditures, including in-kind contributions. 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, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit. Reports must include the name and address of each person to whom an expenditure was made in the aggregate of more than \$50, and must include the amount, date, and purpose of each such expenditure, including the name of the candidate benefitted when such expenditure is an in-kind contribution to a candidate.

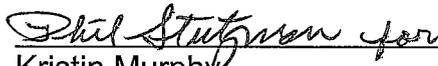
WAC 390-16-037 requires the identification of any candidate(s) or ballot proposition(s) that are supported or opposed by the expenditure made by those required to report under RCW 42.17.090.

RCW 42.17.020(28) defines an independent expenditure as an expenditure that meets several elements including: the expenditure is made in support of or in opposition to a

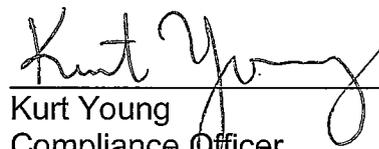
candidate for office; is paid for by someone other than a candidate, a candidate's committee, or agent; the sponsor has not collaborated with the candidate, candidate's committee or agent for the purpose of making the expenditure, does the advertising completely independently of any candidate; the sponsor did not receive the candidate's encouragement or approval to do the ad.

RCW 42.17.103 (1) requires the sponsor of political advertising who, within twenty-one days of an election, publishes, mails, or otherwise presents to the public political advertising supporting or opposing a candidate or ballot proposition that qualifies as an independent expenditure with a fair market value of one thousand dollars or more shall deliver, either electronically or in written form, a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public.

Respectfully submitted this 8th day of January, 2013.



Kristin Murphy
Political Finance Specialist



Kurt Young
Compliance Officer

EXHIBIT LIST

- EXHIBIT 1** Complaint filed by Steve Finley on August 12, 2011, and revised complaint filed on August 16, 2011.
- EXHIBIT 2** 7-day pre-general C-4 report (2010) filed by NAAG on October 26, 2010.
- EXHIBIT 3** Post-General Election C-4 report (2010) filed by NAAG on October 11, 2012.
- EXHIBIT 4** C-6 report filed by NAAG on September 30, 2011.
- EXHIBIT 5** Complaint response letter filed by Norm Wietting on October 4, 2011.