

**BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON**

In the Matter of Enforcement Action  
Against:

Preserve Marriage Washington

Respondent.

Case No. 13-026

**STIPULATION AS TO FACTS,  
VIOLATIONS AND PENALTY**

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Andrea McNamara Doyle, and Respondent Preserve Marriage Washington, through its treasurer, Joseph Backholm, submit this Stipulation as to Facts, Violations and Penalty in this matter. The parties agree that the Commission has the authority to accept, reject or modify the terms of this Stipulation. The parties further agree that in the event that the Commission suggests modification to any term of this agreement, each party reserves the right to reject that modification. In the event either party rejects a modification, this matter will proceed to hearing before the Commission.

**JURISDICTION**

The Public Disclosure Commission has jurisdiction over this proceeding pursuant to RCW 42.17A, the state campaign finance and disclosure laws; RCW 34.05, the Administrative Procedure Act; and WAC 390.

**FACTS**

1. Preserve Marriage Washington was a political committee formed to call a referendum election on SB 6239, legislation approved in the 2011-12 legislative session concerning civil marriage and Washington's domestic partnership laws. The referendum proposition qualified for the November 6, 2012 general election ballot and was assigned number R-74. Preserve Marriage Washington opposed R-74. R-74 was approved by voters on the general election ballot.

2. Chris Plante served as Preserve Marriage Washington's Deputy Campaign Director. On its first Campaign Summary Receipts and Expenditures Report (C-4 report), filed March 12, 2012, Preserve Marriage Washington timely disclosed in-kind contributions from the National Organization for Marriage, Mr. Plante's employer, for his services in establishing the committee. The committee also previously disclosed an estimated debt to the National Organization for Marriage for Mr. Plante's services as well as invoiced amounts for services in March and June. On September 6, 2012, Preserve Marriage Washington filed amended reports to correct this estimate of debt and to make it clear that the debt was for campaign management.
3. Frank Schubert began serving as Campaign Manager for Preserve Marriage Washington in April 2012, and was compensated according to a monthly retainer agreement. Although Preserve Marriage Washington received contemporaneous invoices from Mr. Schubert's company, Mission Public Affairs, these invoices were not timely reported as debts on Preserve Marriage Washington's C-4 reports.
4. Preserve Marriage Washington contends that a good faith administrative mix-up regarding outstanding invoices from Mission Public Affairs resulted in Preserve Marriage Washington not reporting its debts and obligations to Mission Public Affairs in a timely manner. Preserve Marriage Washington contends that it reported all debts that it was aware of, but in January 2013 discovered that there were additional invoices that had been missed. Upon discovery, Preserve Marriage Washington acted in good faith to immediately amend the applicable reports.
5. On September 6, 2012, Preserve Marriage Washington filed amended C-4 reports showing that the committee had initially over-reported by approximately \$10,000 an estimated debt owed to the National Organization for Marriage incurred in the month of March 2012 for the services of Chris Plante, and under-reported the committee's debts incurred in April, May, and June 2012. In its original reports, PMW disclosed a total debt of \$59,248 for campaign management services in March and June 2012 (\$38,293 reported on May 10, 2012 for March services and \$20,955 reported on July 10, 2012 for June services). The amendments filed September 6, 2012 increased this total to \$87,725, an increase of \$28,477, all of which

reflected updated invoices for services incurred in March, April, May and June. Preserve Marriage Washington contends that the original filings were timely and sufficient regarding the debt to National Organization for Marriage for campaign management, and that the amendments were filed in an abundance of caution in order to clarify the filings and update the invoices.

6. On September 6, 2012, Preserve Marriage Washington filed amended C-4 reports showing that the committee had failed to report debt totaling \$50,110 to Mission Public Affairs incurred during April, May, and July 2012. The debts were reported between 28 and 120 days late, and 61 days before the general election.
7. On October 30, 2012, Preserve Marriage Washington filed an amended C-4 report for the period September 1 - October 15, 2012, disclosing \$20,000 in expenditures and approximately \$90,000 in debts, orders placed, and obligations that were in addition to what was initially reported on a C-4 report for the same period, filed October 16, 2012. The expenditure activity (including debts and obligations), included over \$70,000 in previously undisclosed obligations and payments to Mission Public Affairs for campaign management, and numerous smaller obligations for legal services, video production, and other services. This expenditure activity was due to be disclosed on October 16, 2012, and was reported 14 days late, and seven days before the election.
8. On January 10, 2013, Preserve Marriage Washington filed an amended C-4 report for the period October 30 - November 30, 2012 disclosing approximately \$43,000 more in debts, orders placed, and obligations than the original C-4 report for the same period, filed on December 10, 2012. A subsequent amendment for same reporting period, filed on June 6, 2013, disclosed approximately \$66,000 in additional previously undisclosed debts. These obligations, for campaign management, consulting, legal, and compliance services, were due to be disclosed on December 10, 2012, and were reported between 31 – 178 days late. These debts, orders placed, and obligations were to the National Organization for Marriage, Mission Public Affairs, ActRight Compliance Services and Engagement, and other vendors.

9. Preserve Marriage Washington had an agreement with National Organization for Marriage and ActRight Compliance Services and Engagement to combine invoices for the services of the entities' representatives during October and November, so that the pre-election work would appear on one invoice. Because the committee reported these debts when invoiced, Preserve Marriage Washington did not disclose debts and obligations incurred in October and November 2012 until after its post-election C-4 report was due on December 10, 2012. Preserve Marriage Washington believes that this constitutes substantial compliance with the reporting requirements and timely reporting because Preserve Marriage Washington reported its debts as soon as they were invoiced. However, Preserve Marriage Washington was required to provide a good-faith estimate of its outstanding debts and obligations at the end of each C-4 reporting period.
10. Preserve Marriage Washington contends that in the interest of full disclosure, they amended their reports to reflect the dates of debts provided by the vendors, rather than the dates when Preserve Marriage Washington was made aware that an outstanding debt remained. Preserve Marriage Washington contends that minimal harm to the public resulted from the late disclosure, because the public was able to determine from Preserve Marriage Washington's reports that the committee was using certain vendors on a recurring basis, such as Mission Public Affairs, and that the amounts of invoices were frequently consistent. Preserve Marriage Washington contends that the corrections to its reports reflect the committee's best efforts to ensure that its reports were accurate as soon as information became known and that no information was intentionally or maliciously withheld from public disclosure. All of Preserve Marriage Washington's amendments were submitted voluntarily.
11. The complaint that resulted in this investigation was filed in August 2012. Following Preserve Marriage Washington's initial response to the complaint, PDC staff made three requests for supplemental responses, the last one being in October 2014. They also interviewed the treasurer, Joseph Backholm. Preserve Marriage Washington has only participated in a single initiative effort in the 2012 general election. The committee has received no contributions and made no expenditures since 2012, other than in-kind contributions received for ongoing reporting and for legal services associated with this

investigation. The committee still has about \$135,000 in outstanding debts and has no assets at all. The committee states it has been waiting on the results of this investigation in order to request that this matter be closed so that it can terminate.

### STATUTORY AND RULE AUTHORITY

**RCW 42.17A.005(20)** defines “expenditure” to include a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. For the purposes of RCW 421.7A, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made.

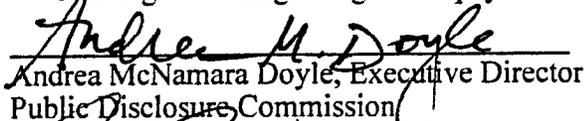
**RCW 42.17A.235 and .240** require political committees to file timely, accurate reports of monetary and in-kind contributions, including contributions pledged but not received, and monetary and in-kind expenditures, including debts, orders placed and obligations. The reports are filed monthly following an excess of \$200 in contribution or expenditure activity, except during the five months before the election, during which time summary reports of receipts and expenditures are required to be filed 21 days and again 7 days before each election in which the committee is participating. The reports must disclose any debt, obligation, note, unpaid loan, or other liability valued at more than \$250, or valued at more than \$50 that has been outstanding for over thirty days. Any contributions received and expenditures made prior to the date of registration must be disclosed on the day the registration is filed. Reports of contributions must include the name and address of any contributor who has given more than \$25 in the aggregate.

### VIOLATIONS

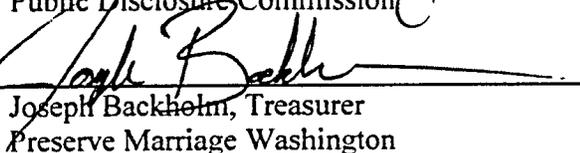
12. Based on the Stipulation of Facts set forth above, Respondent Preserve Marriage Washington violated RCW 42.17A.235 and .240 by failing to timely report expenditures, debts, and orders placed totaling \$297,587 during its 2012 campaign opposing Referendum 74, a statewide ballot proposition on the November 6, 2012 general election ballot.

### PENALTY

13. Based upon the Stipulation of Facts and Violations set forth above, Respondent Preserve Marriage Washington agrees to pay a total civil penalty of \$5,000.00.

  
Andrea McNamara Doyle, Executive Director  
Public Disclosure Commission

5/27/15  
Date Signed

  
Joseph Backholm, Treasurer  
Preserve Marriage Washington

5/27/15  
Date Signed