

Dan McDermott

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Public Disclosure Commission
Attention Lord Bishop
711 Capitol Way #206
PO BOX 40908
Olympia, WA 98504-0908

RE- PDC Complaint # 14221 merged from # 14222

Lord Bishop,

Prior to the EMS Saves Lives campaign, I had no experience as a campaign treasurer or in accounting. During this campaign the PDC and it's accessibility, both on line and by phone, were very valuable to me to make proper disclosures and I was on the phone regularly with questions.

In response to PDC complaint #14221 merged from #14222, I will attempt to clarify or answer to the complaining although the complaint sent to me is not entirely legible on the right hand margin due to a formatting issue. I will respond in order of alleged violations:

- 1) *“Failure to properly break down expenses”* alleged on 13 expenses. The complaint actually states 14 expenses, however only provides 13. RCW 42.17A.235, WAC 390-16-205 and 390-16-037 are citations for this violation. The Washington State Legislature website for these applicable WAC's actually provide examples of how I believe we disclosed our expenditures. While expenditures can always be further broken down into local sales tax or quarterly income taxes paid by the vendor the provided examples at <http://apps.leg.wa.gov/WAC/default.aspx?cite=390-16-205> do not support or elude to this practice.
 - 1) **Response:** Vendor “Jensen, Kurt” on 2016-08-15 assisted with website development and was compensated for his work as disclosed. The entire description of the violation cannot be read due to formatting. To my knowledge there was no tertiary itemization possible.
 - 2) **Response:** Vendor “Paychex” on 2016-09-06 is a payroll company that accurately handles employees withholding and payroll. Allegations that

Medicare, Social security, and FITW withholding were not itemized. Medicare, Social Security, and the IRS are not considered vendors and I believe these government agencies would not be allowed to subcontract for a political campaign.

- 3) **Response:** Vendor “Capitol City Press” on 2016-09-20 is a company that handles compilation and mailing of our material. The USPS is not a subcontractor for the vendor and was not disclosed as such. I believe that a government agency would not be allowed to subcontract for a political committee.
- 4) **Response:** Vendor “Michael A. Snyder” on 2016-10-17 developed our targeting lists. The full description of the alleged violation is unreadable due to formatting, however he provided a service which he billed for and was disclosed as such.
- 5) **Response:** Vendor “Whatcom Marketing” on 2016-10-24 did not list the publication the advertisement was placed in as I did not know this was a requirement despite my earnestness and regular phone calls to the PDC.
- 6) **Response:** Vendor “Google Advertising” on 2016-10-25 is the vendor that received payment despite allegations to the contrary.
- 7) **Response:** Vendor “Capitol City Press” on 2016-10-26 is a company that handles compilation and mailing of our material. The USPS is not a subcontractor for the vendor and was not disclosed as such. I believe that a government agency would not be allowed to subcontract for a political Committee.
- 8) **Response:** Vendor “Capitol City Press” on 2016-10-27 is a company that handles compilation and mailing of our material. The USPS is not a subcontractor for the vendor and was not disclosed as such. I believe that a government agency would not be allowed to subcontract for a political committee.
- 9) **Response:** Vendor “Google Advertising” on 2016-10-28 is the vendor that received payment despite allegations to the contrary.
- 10) **Response:** Vendor “Google Advertising” on 2016-10-25 is the vendor that received payment despite allegations to the contrary.
- 11) **Response:** Vendor “Paychex” on 2016-11-07 is a payroll company that accurately handles employees withholding and payroll. Listing of employee’s names was not known to be a disclosure requirement.
- 12) **Response:** Vendor “Paychex” on 2016-11-07 is a payroll company that accurately handles employees withholding and payroll. Allegations that

Medicare, Social security, and FITW withholding were not itemized. Medicare, Social Security, and the IRS are not considered vendors and I believe these government agencies would not be allowed to subcontract for a political campaign.

- 2) *“Failure to accurately describe expenses”* alleged on 13 expenditures.
 - 1) **Response:** Expense “Department of Revenue” on 2016-08-22 is for a business license as the campaign was advised to apply for one. The entire alleged violation cannot be read due to a formatting issue.
 - 2) **Response:** Expense “Herz Galen” on 2016-09-02. Due to a formatting issue the alleged violation cannot be read well enough to provide a considerate response.
 - 3) **Response:** Expense “MEEP DESIGN” on 2016-10-14 was for graphic design work. Due to a formatting issue the alleged violation cannot be read well enough to provide a considerate response.
 - 4) **Response:** Expense “MEEP DESIGN” on 2016-10-14 was for graphic design work. Due to a formatting issue the alleged violation cannot be read well enough to provide a considerate response.
 - 5) **Response:** Expense “MEEP DESIGN” on 2016-10-26 was for graphic design work. Due to a formatting issue the alleged violation cannot be read well enough to provide a considerate response.
 - 6) **Response:** Expense “KGMI” on 2016-10-28 was for radio advertisement. Although the alleged violation cannot be read it likely asserts that run time slots and dates they occurred on were not disclosed. This is true and was not known at the time despite earnest effort to accurately follow disclosure laws. I will note that our opponents, Committee on Public Safety, also did not provide these details. Nor did they disclose a final expenditure in radio ads of approximately \$1,500 or where the funds for those ads came from.
 - 7) **Response:** Expense “Google Advertising” on 2016-10-28 was for advertising with Google. As I understand advertising on Google does not lend itself to know the time, date, and location where a patron’s advertisement will display. As such I do not know how this could be disclosed.
 - 8) **Response:** Expense “Google Advertising” on 2016-10-28 was for advertising with Google. As I understand advertising on Google does not lend itself to know the time, date, and location where a patron’s advertisement will display. As such I do not know how this could be disclosed.

- 9) **Response:** Expense “Facebook” on 2016-11-01 was for advertising with Facebook. As I understand advertising on Facebook does not lend itself to know the time, date, and location where a patron’s advertisement will display. As such I do not know how this could be disclosed.
 - 10) **Response:** Expense “Google Advertising” on 2016-11-01 was for advertising with Google. As I understand advertising on Google does not lend itself to know the time, date, and location where a patron’s advertisement will display. As such I do not know how this could be disclosed.
 - 11) **Response:** Expense “KGMI” on 2016-11-03 was for radio advertisement. Although the alleged violation cannot be read it likely asserts that run time slots and dates they occurred on were not disclosed. This is true and the disclosure requirements were not known at the time despite earnest effort to accurately follow disclosure laws.
 - 12) **Response:** Expense “KGMI” on 2016-11-04 was for radio advertisement. Although the alleged violation cannot be read it likely asserts that run time slots and dates they occurred on were not disclosed. This is true and the disclosure requirements were not known at the time despite earnest effort to accurately follow disclosure laws.
 - 13) **Response:** Expense “Facebook” on 2016-11-08 was for advertising with Facebook. As I understand advertising on Facebook does not lend itself to know the time, date, and location where a patron’s advertisement will display. As such I do not know how this could be disclosed.
- 3) *“Failure to report expenditure/in-kind contribution for professional photography”*
- 1) **Response:** DAWN MATTHES PHOTOGRAPHY was disclosed as an expense incurred on 13 AUG 2016 contrary to the above allegation.
- 4) *“Failure to timely file C3 contribution reports”*
- 1) **Response:** The deposit date for the donation in question is 18 JULY 2016 and there are deposit receipts as evidence. The listed date of 8 JULY 2016 is likely an error as this is before the campaign was formed.
- 5) *“Failure to accurately report debt.”* alleged on 26 expenses. The alleged violations are being called debts and cites WAC 390-05-295 as supporting documentation. WAC 390-05-295 is for the purpose of the definition of “expenditure” and includes in that definition “promise” or “promise to pay”. Furthermore the Orca software provided by the PDC separates “expenditure” from “debt” and has no subcategory for debt under the expenditure menu.

- 1) **Response:** Vendor “City Mac” on 2016-08-03 was an expense for computers for the campaign. Phone conversations with the PDC led this to be categorized as an expense and not a loan or debt as it was reimbursed in less than 30 day from the incurred expense.
- 2) **Response:** Vendor “Bellingham Golf and Country Club” on 2016-08-03 was an expenditure for service and paid as such. The description of violation is cut off due to a formatting issue.
- 3) **Response:** Vendor “Comcast” on 2016-08-23 was for setting up internet services and pre-payment for the first months service and not a debt.
- 4) **Response:** Vendor “McShane, Lisa” on 2016-09-02 was a consulting fee for services as agreed upon and not a debt.
- 5) **Response:** Vendor “Herz, Galen” on 2016-09-02 was for hours worked for the levy and not a debt.
- 6) **Response:** Vendor “Boruck Printing and Silk Screening” on 2016-09-02 was for printing goods and services and not a debt.
- 7) **Response:** Vendor “Paychex” on 2016-09-06 was and expense for payroll withholding and not a debt.
- 8) **Response:** Vendor “Paychex” on 2016-09-06 was an expense for payroll services and not a debt.
- 9) **Response:** Vendor “AMS” on 2016-09-16 was for door belling literature and not a debt.
- 10) **Response:** Vendor “Capitol City Press” on 2016-09-20 was for mailing to our target audience and not a debt.
- 11) **Response:** Vendor “McShane, Lisa” on 2016-09-20 was for consulting services and not a debt.
- 12) **Response:** Vendor “Comcast” on 2016-10-08 was for internet services and not a debt.
- 13) **Response:** Vendor “callfire” on 2016-10-19 was for call banking services and not a debt.
- 14) **Response:** Vendor “Capitol City Press” on 2016-10-26 was for mailing to our target audience and not a debt.
- 15) **Response:** Vendor “MEEP DESIGN” on 2016-10-26 was for graphic design services and not a debt.

- 16) **Response:** Vendor “Paychex” on 2016-11-07 was for payroll and not a debt.
- 17) **Response:** Vendor “Paychex” on 2016-11-07 was for payroll withholding and not a debt.
- 18) **Response:** Vendor “Burdick, Lucas” on 2016-11-08 was for a paid intern position and not a debt.
- 19) **Response:** Vendor “Oliver, Leah” on 2016-11-08 was for a paid intern position and not a debt.
- 20) **Response:** Vendor “Bickford, Taylor” on 2016-11-08 was for a paid intern position and not a debt.
- 21) **Response:** Vendor “Gilman, Kaelan” on 2016-11-08 was for a paid intern position and not a debt.
- 22) **Response:** Vendor “Perez, Ignacio” on 2016-11-08 was for a paid intern position and not a debt.
- 23) **Response:** Vendor “Comcast” on 2016-11-08 was for internet services and not a debt.
- 24) **Response:** Vendor “Paychex” on 2016-11-08 was an expense for payroll services and not a debt.
- 25) **Response:** Vendor “Eckels, Andrew” on 2016-11-08 was a bonus for good work done and not a debt.
- 26) **Response:** Vendor “Herz, Galen” on 2016-11-08 was a bonus for good work done and not a debt.

6) *“Failure to list addresses of expenditure recipients”*

- 1) **Response:** Addresses given for these persons were not correct and I have yet to be able to gather the correct ones.

7) *“Failure to report last-minute contributions (@ aggregate of \$1000 or higher) from the following groups within the 48 hour time limit on an LMC or C3 form”*

- 1) **Response:** The PDC website states there are special reporting requirements for receiving \$1,000 or more, in the aggregate, from a single contributor during October 18 - November 7. I understood that to mean that the aggregate period was 10/18 to 11/7 and that once a donation within that time frame reached \$1,000 it triggered the requirement.

8) *“Failure to accurately file contribution report (C3) by deadline”*

- 1) **Response:** A mistake on a C3 was caught by routine checks for accurate data and filings. Not only is this good practice to regularly check data, ORCA has a function for making the correction. The complaint is alleging that mistakes are violations of RCW 42-17A-235. We do not believe an internally recognized and corrected mistake constitutes a violation.

9) *“Failure to list Lisa McShane and Erica Littlewood Work as committee officers”*

- 1) **Response:** Lisa McShane and Erica Littlewood were valuable to the EMS Saves Lives campaign. However they were not officers of the campaign and did not function as such. This alleged violation assumes, without any evidence, that they made final decisions on expenditures and they did not. Neither Lisa nor Erica exercised fiscal authority in the campaign.

10) *“Illegal unauthorized expenditure of funds by an individual not listed as an officer on C1 form”*

- 1) **Response.** Lisa McShane and Erica Littlewood were valuable to the EMS Saves Lives campaign, however were not officers of the campaign and did not function as such. This alleged violation assumes, without any evidence, that they made final decisions on expenditures and they did not. Neither Lisa nor Erica exercised fiscal authority in the campaign.

The EMS Saves Lives campaign endeavored to comply with PDC disclosure requirements at every moment throughout the campaign. With regularity we were contacting the PDC by phone for advice on proper disclosure as the campaign developed. I believe the EMS Saves Lives Campaign is an example of how accessible the Washington State political process is with the assistance of the PDC and how important it is for each persons vote to count.

Sincerely,

Dan McDermott

Treasurer EMS Saves Lives Campaign