



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcca.wa.gov

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

| | | |
|--------------------|---|--------------------|
| IN RE COMPLIANCE |) | PDC CASE NO: 8336 |
| WITH RCW 42.17A |) | |
| |) | |
| Freedom Foundation |) | ADDENDUM TO REPORT |
| |) | OF INVESTIGATION |
| |) | |
| Respondent. |) | |
| <hr/> | | |

I. BACKGROUND

1.1 On October 13, 2016, Public Disclosure Commission members were provided with a Report of Investigation, exhibits, and an Executive Summary and Staff Analysis concerning the allegations in an August 30, 2016, 45-day Citizen Action Notice that Dmitri Iglitzin and Laura Ewan filed with the Washington Attorney General and Thurston County Prosecutor on behalf of the Campaign to Prevent Fraud and Protect Seniors (Yes on I-1501), alleging violations of RCW 42.17A by the Freedom Foundation. The Commission is scheduled to receive a report from PDC staff regarding the allegations on October 19, 2016.

II. ADDITIONAL FINDINGS

- 2.1 Subsequent to staff's filing of a final Report of Investigation, on October 12 and 13, 2016, Freedom Foundation Managing Attorney Greg Overstreet submitted supplemental responses to two questions raised in staff's report. Those questions concerned 1) whether the Freedom Foundation has disclosed staff expenses connected with its Director of Labor Policy Maxford Nelsen's paid time spent in an appearance before the Seattle *Times* editorial board to oppose Initiative 1501; and 2) the nature of \$2,203 in contributions to *bona fide* political party committees attributed to the Freedom Foundation in PDC contribution reports filed by recipients from 2002 to 2016.
- 2.2 **Maxford Nelsen Appearance before Seattle Times Editorial Board:** In a supplemental response received on October 12, 2016 (**Exhibit 1**), Mr. Overstreet stated that Mr. Nelsen's paid time spent before the *Times* editorial

board on September 28, 2016 was disclosed on PDC forms L-2 and C-6 on October 10, 2016, appearing in the latter report as unitemized expenses of \$100 or less. (**Exhibit 2.**)

2.3 Previously, the Freedom Foundation filed a C-6 report on September 20, 2016, disclosing independent expenditure activity in opposition to I-1501. To the extent that Mr. Nelsen's additional staff expenses incurred on September 28, 2016 were required to be disclosed on form C-6 21 days before the November 8, 2016 general election, or by October 18, 2016, it appears that they were disclosed in a timely manner.

2.4 **Freedom Foundation Contributions to Party Committees:** In a supplemental response received on October 13, 2016 (**Exhibit 3**), Mr. Overstreet stated the following concerning contributions to political party committees that were attributed to the foundation (**Exhibit 4**):

The \$200 "contribution" from the Freedom Foundation to the Washington State Republican Party on April 28, 2016 reflects payment for table space to advertise at the 2016 WSRP Convention. Current staff have not been able to immediately identify the nature of the contributions made between 2002 and 2010, but believe these payments were likely also related to the Freedom Foundation's attendance/presence at WSRP events.

Respectfully submitted this 17th day of October, 2016.



Tony Perkins
Compliance Officer

EXHIBIT LIST

- Exhibit 1** Supplemental response received from Greg Overstreet on October 12, 2016.
- Exhibit 2** Amended C-6 Independent Expenditure report filed for the Freedom Foundation on October 10, 2016.
- Exhibit 3** Supplemental response received from Greg Overstreet on October 13, 2016.
- Exhibit 4** A table listing \$2,203 in contributions from the Freedom Foundation to bona fide political party committees made from 2002 – 2016, as reported by recipients.

Tony Perkins

From: PDC Support <pdcc@pdcc.wa.gov>
Sent: Monday, October 17, 2016 2:49 PM
To: Tony Perkins
Subject: Fwd: Freedom Foundation - Alleged violations of RCW 42.17A.205, .225, .255 - Citizen Action Notice

On Wed, 12 Oct at 5:19 PM , Greg Overstreet <goverstreet@myfreedomfoundation.com> wrote:
Mr. Perkins:

Here is a response on the Seattle Times issue:

Freedom Foundation staff member Max Nelsen filed both his September L2 report and the Foundation's second C6 report with the PDC on Monday, October 10. Both the L2 and C6 reflected the value of his staff time spent opposing I-1501, including his editorial board interview with the *Seattle Times* on September 28. The staff time was reported under the "other lobbying" section of his L2, as directed by PDC filer assistance specialist Jennifer Hansen on September 15. The staff time reported on the second C6 was added to the running total of un-itemized expenditures. Mr. Nelsen explained to Ms. Hansen in an email on September 20 that it was his understanding that he should report the value of Foundation staff time on the C6 forms as un-itemized expenditures. She did not correct his understanding.

Thank you.

Greg

From: PDC Support [mailto:pdcc@pdcc.wa.gov]
Sent: Wednesday, October 12, 2016 3:56 PM
To: Greg Overstreet <GOverstreet@myfreedomfoundation.com>
Subject: Re: PDC - Alleged violations of RCW 42.17A.205, .255 by Freedom Foundation - Citizen Action Notice

Dear Greg,

Attached to this email please find PDC staff's Executive Summary and Analysis, Report of Investigation, and Exhibits to the Report in PDC Case 8336.

PDC staff would have preferred to have our report reflect your response regarding Maxford Nelsen's appearance before the *Seattle Times* editorial board, and any response you provided regarding contributions to party committees that were attributed to the Freedom Foundation in PDC contribution reports. However, with one week to go before the special meeting scheduled for October 19, 2016, we needed to deliver meeting materials to the Commission members. If you wish to provide additional information to the Commission at the meeting on the 19th, please let me know and I'll flag your request for the Commission's Executive Assistant, Jana Greer.

Let me know if you have questions. Thanks for your assistance throughout PDC staff's investigation.

Sincerely,

Tony Perkins
PDC Compliance & Enforcement Staff

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To respond, please reply to this email.

Washington Public Disclosure Commission
<http://www.pdc.wa.gov>
1.360.753.1111

On Tue, 11 Oct at 10:39 AM , Greg Overstreet
<goverstreet@myfreedomfoundation.com> wrote:
Thanks, Tony.

I received your October 7 email below.

We will work on a response regarding the Seattle Times issue and hopefully get it to you today.

From: PDC Support [<mailto:pdc@pdc.wa.gov>]
Sent: Tuesday, October 11, 2016 10:27 AM
To: Greg Overstreet
<GOverstreet@myfreedomfoundation.com>
Subject: Re: PDC - Alleged violations of RCW
42.17A.205, .255 by Freedom Foundation - Citizen
Action Notice

Greg, would you please send a quick reply to confirm receipt of my email sent this past Friday the 7th? If possible, I would appreciate a response today concerning the Freedom Foundation's intent to disclose staff expenses connected with Maxford Nelsen's appearance before the *Seattle Times* editorial board, so that I can cite that response in my report.

Sincerely,

Tony Perkins
PDC Compliance & Enforcement Staff

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To respond, please reply to this email.

Washington Public Disclosure Commission
<http://www.pdc.wa.gov>
1.360.753.1111



| | |
|---------------------------|---|
| Form C6 1/12 | 6667 AMENDS 6505 10/10/2016 |
|---------------------------|---|

Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — **\$100 or more**
 INDEPENDENT EXPENDITURE ADS (Appearing within 21 days of an election) — **\$1,000 or more**
 ELECTIONEERING COMMUNICATIONS, Except Contributions (Appearing within 60 days of an election) — **\$1,000 or more**

| | |
|---|--|
| 1. Name and complete postal mailing address of sponsor: FREEDOM FOUNDATION P. O. BOX 552 OLYMPIA, WA 98507 | E-mail INFO@FREEDOMFOUNDAT Telephone (360) 956-3482 |
|---|--|

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

| Date Made | Date First Presented/ Mailed | Name and Address of Vendor or Recipient | Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad) | Amount or Value (*See Below) |
|---|------------------------------|---|---|------------------------------|
| 09/05/16 | 08/26/16 | TENET CREATIVE 2811 9TH ST. SE PUYALLUP, WA 98374 | WEBSITE BUILD | 1,500.00 |
| Expenditures \$100 or less not itemized above | | | | \$ 2,554.36 |
| Total this report | | | | \$ 4,054.36 |
| Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports. | | | | \$ 4,054.36 |

| 3. List of candidate(s) or ballot proposition(s) identified in the advertising. | | | | | Show portion of current expense attributable to each candidate or proposition | Show total C-6 expenses related to each candidate/ proposition during election campaign |
|---|----------------------------------|----------|--|--|---|---|
| Candidate/Proposition | Office/District/ Proposition No. | Party | Check Support or Oppose | | | |
| CAMPAIGN TO PREVENT FRAUD AND PROTECT SE | 1501 | STATEWID | <input type="checkbox"/> <input checked="" type="checkbox"/> | | \$ 1,500.00 | \$ 1,500.00 |
| | | | <input type="checkbox"/> <input type="checkbox"/> | | \$ | \$ |
| | | | <input type="checkbox"/> <input type="checkbox"/> | | \$ | \$ |
| | | | <input type="checkbox"/> <input type="checkbox"/> | | \$ | \$ |

Continued on attached sheet

Filer Name:

4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:

- a) ___ An individual using only personal funds.
- b) ___ An individual using personal funds and/or funds received from others.
- c) A business, union, group, association, organization, or other person using only general treasury funds.
- d) ___ A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e) ___ A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f) ___ A political committee filing C-5 reports. (RCW 42.17A.250)
- g) ___ Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

5. Sources giving in excess of \$250 for the electioneering communication:

| Date Received | Source's Name, Address, City, State, Zip | For individuals, Employer's Name, City and State | Amount |
|---------------|--|--|----------------|
| | | | \$ |
| | | Occupation | \$ |
| | | | \$ |
| | | Occupation | \$ |
| | | | \$ |
| | | Occupation | \$ |
| | | | \$ |
| | | Occupation | \$ |
| | | | \$ |
| | | Occupation | \$ |
| | | | \$ |
| | | Occupation | \$ |
| | | Sub-Total | \$ 0.00 |
| | | Amount from attached pages | \$ 0.00 |
| | | TOTAL FUNDS RECEIVED | \$ 0.00 |

Continued on attached sheet

| Sponsor of Independent Expenditure or Electioneering Communication | | |
|--|--|---|
| I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge. | Signature | Printed Name MAXFORD NELSEN |
| | Street address P. O. BOX 552 | |
| | City/State/Zip OLYMPIA WA 98513 | |
| | Date Signed 10/10/16 | Place Signed (city and county) OLYMPIA THURSTON |
| | *RCW 9A.72.040 provides that "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor." | |
| | | |

Tony Perkins

From: PDC Support <pdcc@pdc.wa.gov>
Sent: Thursday, October 13, 2016 12:29 PM
To: Tony Perkins
Subject: [TICKET Assigned to Tony] - FW: Political Party Contributions by the Freedom Foundation

This ticket has been assigned to Tony Perkins

FW: Political Party Contributions by the Freedom Foundation

Mr. Perkins:

Here is the Foundation's response regarding the payments to the Washington State Republican over the past 12 years averaging \$183.58 per year (reflected in your table below):

The \$200 "contribution" from the Freedom Foundation to the Washington State Republican Party on April 28, 2016 reflects payment for table space to advertise at the 2016 WSRP Convention. Current staff have not been able to immediately identify the nature of the contributions made between 2002 and 2010, but believe these payments were likely also related to the Freedom Foundation's attendance/presence at WSRP events.

Thank you.

Greg

From: Tony Perkins [<mailto:tony.perkins@pdc.wa.gov>]
Sent: Tuesday, October 11, 2016 4:24 PM
To: Greg Overstreet <GOverstreet@myfreedomfoundation.com>
Subject: Political Party Contributions by the Freedom Foundation
Importance: High

Dear Mr. Overstreet,

Reviewing the PDC's contribution and expenditure database, I noted a number of entries that appeared to indicate contributions by the Freedom Foundation (Evergreen Freedom Foundation) to state and local bona fide political party committees:

| Name | Contributor | Date | A |
|------------------------------------|------------------------------|------------|---|
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2002-03-18 | 1 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2004-03-19 | 2 |
| 32ND DIST REPUB | EVERGREEN FREEDOM FOUNDATION | 2004-05-05 | 4 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-05-06 | 5 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-08-11 | 1 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-08-11 | 1 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2005-04-25 | 5 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2005-08-17 | 1 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2006-04-06 | 1 |

| | | | |
|------------------------------------|--|------------|---|
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2007-06-05 | 1 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2008-04-21 | 1 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2008-05-05 | 2 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2009-08-17 | 1 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION EVERGREEN FREEDOM FOUNDATION | 2010-05-27 | 2 |
| WA ST REPUB PARTY EXEMPT | FREEDOM FOUNDATION | 2016-04-28 | 2 |
| | | TOTAL | 2 |

In the cases I reviewed, the address of the contributor was listed as PO Box 552 in Olympia, which I understand to be the Freedom Foundation's address. The most recent contribution was made as recently as April of this year. Can you confirm that the above contributions came from the general treasury of your organization, as disclosed by the recipients?

Thank you for your attention to this. Let me know if you have questions about the information I'm seeking.

Sincerely,

Tony Perkins | PDC Compliance & Enforcement

711 Capitol Way, Room 206 | PO Box 40908, Olympia, WA 98504-0908
 (direct) 360.586.1042 | (toll free) 1.877.601.2828
tony.perkins@pdc.wa.gov

Use the URL below or Reply to the ticket.

<https://wapdc.freshdesk.com/helpdesk/tickets/8834>

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Exhibit 4, Addendum to ROI
PDC Case 8336 (Freedom Foundation)
Contributions reported from Freedom Foundation, 2002 - 2016

| Name | Contributor | Date | Amount |
|------------------------------------|---|--------------|----------------|
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2002-03-18 | 100 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2004-03-19 | 200 |
| 32ND DIST REPUB | EVERGREEN FREEDOM FOUNDATION | 2004-05-05 | 408.36 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-05-06 | 50 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-08-11 | 120 |
| KING CO REPUB CENT COMM CAND | EVERGREEN FREEDOM FOUNDATION | 2004-08-11 | 120 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2005-04-25 | 55 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2005-08-17 | 100 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2006-04-06 | 150 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2007-06-05 | 100 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2008-04-21 | 100 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2008-05-05 | 200 |
| KING CO REPUB CENT COMM NON EXEMPT | EVERGREEN FREEDOM FOUNDATION | 2009-08-17 | 100 |
| WA ST REPUB PARTY EXEMPT | EVERGREEN FREEDOM FOUNDATIONEVERGREEN FREEDOM FOUNDATION | 2010-05-27 | 200 |
| WA ST REPUB PARTY EXEMPT | FREEDOM FOUNDATION | 2016-04-28 | 200 |
| | | TOTAL | 2203.36 |