



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 the Matter of Enforcement Action Against:

National Rifle Association of America
Washingtonians Opposed to I-594, and
National Rifle Association of America

Respondents.

Case No. 735

**Stipulation as to Facts,
Violations and Penalty**

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Evelyn Fielding Lopez, and Respondent National Rifle Association of America Washingtonians Opposed to I-594, and National Rifle Association of America, through its legal counsel, Jason Torchinsky and Steve Donaldson, 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. On June 26, 2014, National Rifle Association of America: Washingtonians Opposed to I-594 (NRA WA No on I-594 PAC) filed a Committee Registration (C-1pc report) disclosing their opposition to Initiative 594, a Washington State statewide initiative.

2. The C-1pc report disclosed the mailing address for NRA WA No on I-594 PAC was 111250 Waples Mill Road, Fairfax Virginia, and its principal officers, Chris Cox, Chairman, and MaryRose Adkins, Treasurer, also were from Virginia.
3. During the 2014 election, NRA – WA No on I-594 PAC disclosed receiving \$489,331 in monetary contributions, and making expenditures totaling \$482,510 in opposition to I-594. Of the total contributions received by NRA – WA No on I-594 PAC, \$485,383 in monetary contributions were received from the National Rifle Association of America in Fairfax Virginia.
4. The National Rifle Association of America contributions were disclosed on eight C-3 reports filed by NRA – WA No on I-594 PAC and represented 99.1% of all contributions received by the committee.
5. NRA – WA No on I-594 PAC failed to timely file seven C-3 reports disclosing \$431,348 in monetary contributions received from the National Rifle Association. Those contributions were disclosed on C-3 reports between one and 35 days late. All C-3 reports filed by NRA – WA No on I-594 PAC were filed prior to the November 4, 2014, general election and included the complete name and address of each contributor including the aggregate totals, and the date each contribution was received and deposited.
6. On October 22, 2014, the NRA – WA No on I-594 PAC filed an amended Post-primary election C-4 report disclosing \$14,868 in previously unreported expenditures, and providing a sub-vendor breakdown of two previously reported committee expenditures made to Starboard Strategic, Inc.
7. The Post-Primary C-4 report was due to be filed by September 10, 2014, covering the period July 29 through August 31, 2014, and the amended information was disclosed 42 days late by NRA – WA No on I-594 PAC.
8. The information disclosed on the amended C-4 report included a \$14,868 expenditure made to Master Print on August 7, 2014 for printing No on I-594 initiative inserts, and a detailed breakdown of two expenditures made to Starboard Strategic, Inc. that included: (1) \$81,728 to Starboard Strategic, Inc. for an internet media buy; (2) \$22,950 to Starboard Strategic, Inc. for billboard advertisements with Dish Network and Direct TV; (3) \$16,852.50 for two expenditures for professional fees to AMAG (\$14,422.50) and Starboard Strategic, Inc.(\$2,430); and (4) \$10,001 through Starboard Strategic, Inc. to AMAG for production and

installation costs for the ads and taxes (\$4,531), Service Fees (\$3,850), and Commissions (\$810).

9. The National Rifle Association of America (NRA America) is a Lobbyist Employer in Washington State which required them to file a monthly L-3c report if they made contributions to support or oppose a statewide ballot proposition. The L-3c reports are required to be filed by a Lobbyist Employer no later than the 15th of the month, disclosing contributions made during the previous calendar month.
10. On October 14, 2014, NRA America filed two L-3c reports for July and August of 2014 disclosing the following NRA contributions made to the initiative PAC:

- The July 2014 L-3c report filed by NRA America disclosed a \$25,000 contribution made to NRA – WA No on I-594 PAC on July 11, 2014. The L-3c report was required to have been filed by NRA America no later than August 15, 2014, and was filed 60 days late.
- The August 2014 L-3c report filed by NRA America disclosed three monetary contributions totaling \$166,555 made to NRA – WA No on I-594 PAC as follows: (1) A \$35,000 contribution made on August 7, 2014; (2) A \$100,024 contribution made on August 18, 2014; and (3) A \$31,531 contribution made August 27, 2014. The L-3c report was required to have been filed by NRA America no later than September 15, 2014, and was filed 30 days late.

11. NRA – WA No on I-594 PAC:

- Inadvertently failed to note the weekly reporting requirement for C-3 reports, and acknowledged the contribution information was "... disclosed days to weeks later..." than the required report dates.
- Prior to becoming aware of the weekly C-3 reporting requirement, the committee "...had been filing C-3 report contemporaneously..." whenever the political committee electronically filed the required C-4 reports using the PDC's Online Reporting of Campaign Activity (ORCA) campaign software.
- "...detected this discrepancy during an internal review of its operations in connection with the PDC Complaint..." and has timely and accurately filed the contributions received since becoming aware of the weekly filing requirements.

- "...believes it has undertaken all remedial action that it is possible to undertake with regards to this matter..." and that the corrective action undertaken...will ensure timely and accurate reporting.
- The Commission staff found no attempt on the part of the National Rifle Association to hide any information regarding contributions or expenditures from the Commission or the public. Because no further late filed reports have been found by the Commission, the Commission staff recognizes that the National Rifle Association and the NRA – WA No on I-594 PAC demonstrated a good faith effort to comply with the Commission regulations and reporting requirements. The Commission staff has no reason to believe that any violations described herein committed by National Rifle Association or the NRA – WA No on I-594 PAC were intentional.
- All of the contributions received by NRA – WA No on I-594 PAC were disclosed well in advance of the November 5, 2014 general election.

STATUTORY AND RULE AUTHORITY

RCW 42.17A.235 and **RCW 42.17A.240** require political committees to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-3 and 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. Beginning five months before the election, weekly C-3 reports are required to be filed every Monday disclosing contributions received and deposited during the previous week.

RCW 42.17A.630(2) states in part that an employer of a lobbyist shall file a special report with the commission if the employer makes a contribution or contributions aggregating more than one hundred dollars in a calendar month disclosing the date and amount of each such contribution and the name of the recipient committee receiving the contribution the contribution. The report shall be filed within fifteen days after the last day of the calendar month during which the contribution was made.

VIOLATIONS

- 1) Based on the Stipulation of Facts set forth above, Respondents National Rifle Association of America Washingtonians Opposed to I-594, and National Rifle Association of America violated RCW 42.17A as follows:

National Rifle Association of America Washingtonians Opposed to I-594: Violated RCW 42.17A.235, and 42.17A.240 on eight occasions by: (1) failing to timely file seven C-3 reports disclosing contributions received by the committee; (2) by failing to timely and fully disclose expenditure information on a C-4 report for expenditures undertaken in opposition to I-594.

National Rifle Association of America: Violated RCW 42.17A.630 on two occasions by failing to timely file two Monthly Lobbyist Employer Contribution reports (L-3c report) as required for a Lobbyist Employer registered in Washington State, disclosing contributions made in opposition to I-594.

PENALTY

2) Based upon the Stipulation of Facts and Violations set forth above, the Respondents agree to the following:

- National Rifle Association of America Washingtonians Opposed to I-594 agrees to pay a \$10,000 civil penalty, which is payable within 60 days of the date of the Order.
- National Rifle Association of America agrees to pay a \$10,000 civil penalty, of which \$5,000 is suspended on the following conditions:
 - a. The National Rifle Association of America, and any future political committee sponsored by National Rifle Association of America, is not found to have committed any of the same or similar violations of the disclosure provisions of RCW 42.17A within four years of the date of the final order in this matter.
 - b. The National Rifle Association of America pays the \$5,000 non-suspended portion of the penalty within 60 days of the date of the final order.

3) Respondents National Rifle Association of America Washingtonians Opposed to I-594, and National Rifle Association of America PAC affirms its intention to comply in good faith with the provisions of RCW 42.17A in the future.


Evelyn Fielding Lopez, Executive Director
Public Disclosure Commission

5/9/2016
Date Signed


Name and Title, National Rifle Association
COUNSEL TO NRA, HOLTZMAN VOGEL JOSEFIAL TORCHINSKY, PLLC

5/5/16
Date Signed