



**STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION**

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November 25, 2015

calebheimlich@wsrp.org

Washington State Republican Party
Attn: Caleb Heimlich
11811 NE 1st Street Suite A306
Bellevue WA 98005

Subject: Your complaint regarding American Values First, PDC Tracking No. T15-082

Dear Mr. Heimlich:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 27, 2014. Your complaint alleged that American Values First (AVF) violated:

- RCW 42.17A.205, .235 and .240 by failing to register and report as a political committee;
- RCW 42.17A.255 and .305 by failing to timely file C-6 reports disclosing independent expenditures and electioneering communications;
- RCW 42.17A.320 by failing to list its Top 5 contributors in the sponsor identification of its political advertising undertaken as an independent expenditure or electioneering communication;
- RCW 42.17A.442 by failing to receive at least ten dollars from ten registered voters in Washington State before contributing to another political committee; and
- RCW 42.17A.420 by, as a political committee, accepting a contribution in excess of \$5,000 during the 21-day period prior to the November 4, 2014 general election.

PDC staff reviewed your allegations to determine whether a formal investigation or enforcement action is warranted. As a result of staff's initial review, we found the following:

- American Values First is a nonprofit social welfare group that organized under section 501(c)(4) of the Internal Revenue Code more than two years before the activities described as alleged violations occurred. Its stated purpose is to promote democracy, protect and expand voting rights, and advance policies that strengthen and promote the economy and the middle class.

- In 2013, AVF launched a “Voting Rights Project” in all 50 states to promote legislation and policies that expand voting rights, and to defeat legislation and policies that reduce or suppress the right to vote.

Determining Whether American Values First is a political committee

- AVF was not a “receiver of contributions” and did not solicit or accept contributions to pay for its independent expenditures or electioneering communications in Washington State. AVF used general treasury funds to pay for these expenditures.
- AVF made campaign expenditures for the first time during 2014. These expenditures, verified by the entity’s 2014 Form 990 filed with the Internal Revenue Service, totaled \$56,372, or 27.31 percent of its 2014 expenditures, which totaled 206,427. Campaign expenditures in Washington State totaled \$41,372 and comprised 20.04 percent of its 2014 expenditures. Out of state campaign expenditures during 2014 totaled \$15,000, in the form of a monetary grant to WIN Minnesota. AVF’s non-electoral expenditures in 2014 totaled \$150,000, consisting of two grants to Greater Wisconsin Committee, Inc., a state-based issue advocacy group that is organized and operates under section 501(c)(4) of the Internal Revenue Code.
- No evidence was provided demonstrating that AVF is a political committee, either by being a receiver of contributions or by having as one of its primary purposes, supporting or opposing Washington State candidates or ballot propositions.

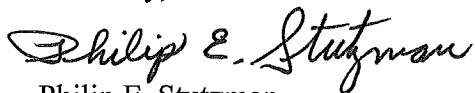
Timeliness of Reporting

- AVF timely filed three C-6 reports manually, on paper, on October 22, October 23 and October 24, 2014, disclosing advertisements of \$1,000 or more, purported to be in support of Tim Sheldon, and costing a total of \$20,014.
- On October 27, 2014, AVF filed a single C-6 report electronically, disclosing the same expenditures totaling \$20,014. The C-6 report reclassified the AVF expenditures as electioneering communications, and was filed three to five days late.
- AVF timely filed three additional C-6 reports electronically on October 28, October 29, and October 30, 2014, disclosing direct mail pieces totaling \$21,359, purporting to be in support of Tim Sheldon.
- AVF was not required to disclose the names of contributors because it used existing funds to make its expenditures, and did not have contributors who paid for the electioneering communications expenditures.
- Because no evidence was found or provided demonstrating that AVF is a political committee, the allegations pertaining to political committee requirements are not applicable (listing the Top 5 Contributors in the sponsor identification; receiving contributions of \$10 or more each, from at least ten registered voters in Washington state; and receiving contributions in excess of \$5,000 during the 21 days before the November 4, 2014 general election).
- AVF did not violate RCW 42.17A.255 by failing to file a C-6 report for independent expenditures not reported elsewhere, because AVF reported its direct mail expenditures as electioneering communications on a C-6 report.

Based on these initial findings, I have determined that there is no reason to believe American Values First has violated RCW 42.17A.205, .235, .240, .255, .320, .442, or .420. I have also determined that AVF has substantially complied with the requirements of RCW 42.17A.305 by filing its C-6 reports electronically within three to five days of timely filing the reports manually, and no further action is warranted. For these reasons, the PDC has closed the matter, and will not be conducting a more formal investigation into your complaint or pursuing enforcement action in this case.

If you have questions, you may contact Phil Stutzman at (360) 664-8853, toll-free at 1-877-601-2828, or by e-mail at phil.stutzman@pdc.wa.gov.

Sincerely,



Philip E. Stutzman
Sr. Compliance Officer

Endorsed by:



Evelyn Fielding Lopez
Executive Director

cc: Brian G. Svoboda, Counsel to American Values First