



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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MEMORANDUM

TO: Commissioners

FROM: Philip E. Stutzman, Director of Compliance

DATE: November 28, 2007

SUBJECT: Possible dismissal of complaint against Dino Rossi and Forward Washington Foundation, Case No. 08-001

At the meeting currently scheduled for December 6, 2007, PDC staff will be presenting the Commission the enclosed Report of Investigation and recommending approval of the enclosed draft dismissal letter regarding the complaint referenced above. I will be providing you a summary of the staff investigation and Linda Dalton, Senior Assistant Attorney General, will discuss the legal basis for the staff's recommendation. PDC staff members will also be available to answer any questions you may have at that time.

A complaint was received June 27, 2007 from Dwight Pelz, Chair of the Washington State Democratic Party, alleging that Dino Rossi was a declared candidate for Governor in 2008 and that Forward Washington Foundation, a non-profit corporation co-founded by Mr. Rossi, was raising and spending unreported contributions to promote his candidacy for governor. The Report of Investigation and proposed dismissal letter regarding the complaint are enclosed.

Enclosures

- Proposed dismissal letter regarding complaint against Dino Rossi and Forward Washington Foundation
- Report of Investigation dated November 27, 2007
- Exhibits to Report of Investigation

DRAFT

November 28, 2007

Dwight Pelz, Chair
Washington State Democrats
615 Second Avenue
Seattle, WA 98104

RE: **Complaint filed against Dino Rossi and Forward Washington Foundation
PDC Case No. 08-001**

Dear Mr. Pelz:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received June 27, 2007, alleging that:

- Dino Rossi declared his candidacy for the 2008 gubernatorial race by filing a candidate registration form with the PDC on December 13, 2004;
- Forward Washington Foundation is a political committee, meaning that one of its primary purposes is to solicit and spend contributions in support of a declared candidate for public office;
- Forward Washington Foundation paid Mr. Rossi and his staff to travel the state, give speeches, and otherwise promote Mr. Rossi's candidacy for the 2008 gubernatorial race in a manner that is indistinguishable from that of a political campaign; and
- Mr. Rossi deliberately evaded statutory political campaign contribution limits and disclosure requirements by funneling financial support to his 2008 gubernatorial campaign through the Forward Washington Foundation.

I. BACKGROUND

During the course of its investigation, PDC staff reviewed the allegations in light of the following statutes:

RCW 42.17.020(9) defines a "candidate" as any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first: (a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office; (b) Announces publicly or files for office; (c) Purchases commercial advertising

space or broadcast time to promote his or her candidacy; or (d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

RCW 42.17.020(38) defines a “political committee” as any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

RCW 42.17.040 requires every candidate to timely register with the Public Disclosure Commission.

RCW 42.17.080 and 090 require candidates to file timely, accurate reports of contributions and expenditures.

RCW 42.17.120 prohibits the concealment of political campaign contributions and expenditures.

RCW 42.17.640 limits contributions to candidates for state-wide office. For individuals, political committees (except bona fide political parties), unions, corporations, and other non-individual entities, the limit is \$1,400 per election.

The PDC staff’s investigation included the following actions:

- Review of the complaint and the written response from John White, counsel for Mr. Rossi and Forward Washington Foundation.
- Twenty-one interviews with:
 - Forward Washington Foundation: Dino Rossi, Ted Dahlstrom, Mary (Lane) Strow, Sarah Dorn, Tim Kovis, and Brian Smith;
 - Washington State Republican Party: Luke Esser (Chairman, Washington State Republican Party), Jeremy Deutsch (Executive Director, Washington State Republican Party), and Tom Goff (Political Director, Washington State Republican Party);
 - Local-level Republican Party Organizations: Cathy Colley (Grays Harbor Republican Party), Susan Fagan (Whitman County Republican Party), Deryl McCarty, Jean Miller, and Marlyn Jensen (Pierce County Republican Party);
 - Other: Amy Barnes (Principal, Fundraising Partners Northwest); Bill Quigg (President, Grays Harbor Paper); Jon Russell (Washougal City Council); Bob Moore (President, Moore Information); Paul Bennecke (Political Director, Republican Governor’s Association); Bob Baersack (Press Officer, Federal Election Commission); Patsy Rushing (Commission Clerk, Florida Elections Commission).

- Review of the following documents:
 - Forward Washington Foundation's invoices and a "checkbook ledger" in the form of a QuickBooks printout.
 - The two fundraising letters mailed by Forward Washington Foundation.
 - Campaign finance disclosure reports filed by Friends of Rossi 2004 campaign for Governor, and Mr. Rossi's reports filed during the 2008 election cycle (contributions and expenditures).
 - Amended C-1 registration filed by Mr. Rossi on October 25, 2007, and C-3 contribution reports filed on November 9, 2007.
 - Approximately 20 newspaper articles and other media coverage involving Mr. Rossi and/or Forward Washington Foundation.
 - Letter received on November 2, 2007, from Paul Bennecke, Political Director of the Republican Governor's Association.
 - Articles of Incorporation, Bylaws, and application for tax-exempt status of Forward Washington Foundation.
 - Public releases of election-related polling information by the firms Moore Information and Strategic Vision.
 - Sales materials for political donor mailing lists, available on the Internet from companies such as Pinnacle List Company, Nextmark Incorporated, and Political-Donors.com.
 - Materials available in the media and from other sources on the Internet, concerning non-profit foundations and public policy "think tanks."
- Review of eleven speeches, presentations and interviews given by Mr. Rossi on behalf of Forward Washington Foundation (including Washington Idea Bank events), during his 2004 campaign, and at other non-Forward Washington Foundation related events.
- Requested access to copies of any type of communication (e-mails, correspondence, memoranda, etc.) sent or received by current and former Forward Washington Foundation staff related to or mentioning Forward Washington Foundation and prospective or potential campaigns for public office by Mr. Rossi. Counsel for the Respondents stated that no documents existed that were responsive to this request.
- Examination of websites for Forward Washington Foundation (including the Foundation's Mission Statement), Washington Idea Bank, Friends of Rossi 2004 Campaign, and Forward Books, LLC.

II. STAFF ANALYSIS

Based upon the information gathered during the course of the investigation, as evaluated against statutory provisions and case law, PDC staff believes insufficient evidence exists to support a determination that Dino Rossi was a candidate for Governor for the 2008 election prior to accepting his first campaign contribution on October 12, 2007. Additionally, PDC staff believes that insufficient evidence exists to support a determination that Forward Washington Foundation acted as a political committee.

1. DINO ROSSI AS A CANDIDATE FOR THE 2008 GUBERNATORIAL ELECTION

Based on its investigation, the PDC staff believes that Mr. Rossi was not a candidate for the 2008 gubernatorial election at the time the complaint was filed. Although Mr. Rossi registered as a candidate for the 2008 race in December 2004, the investigation established that he did so based on advice from PDC staff that such registration was necessary if Mr. Rossi wanted to raise funds for a legal fund related to the 2004 election challenge. Legal challenges related to the 2004 election ended in June 2005, and activity related to the legal challenges ended in January 2006. Given these circumstances, PDC staff has concluded that Mr. Rossi's filing of the candidacy registration in December 2004 did not represent an intent on his part to declare his candidacy for the 2008 election.

A person becomes a candidate for purposes of RCW 42.17 when he or she (1) receives contributions or makes expenditures or reserves space or facilities with the intent to promote his or her candidacy for office, (2) announces publicly or files for office, (3) purchases commercial advertising space or broadcast time to promote his or her candidacy, or (4) gives his or her consent to others to take the first or third step on his or her behalf. The Washington Supreme Court has held that this definition of candidate is "clear and unambiguous," and a person becomes a candidate only after he or she takes one of the four steps set forth in RCW 42.17.020(9). *Senate Republican Campaign Comm. v. Public Disclosure Comm'n*, 133 Wn.2d 229, 242-43, 943 P.2d 1358 (1997).

The PDC staff's investigation into this matter uncovered the following facts:

- Mr. Rossi was a candidate for Governor in 2004. Mr. Rossi filed a legal challenge to the election results alleging voter fraud and mismanagement of the elections process, and demanding a new election.
- Prior to filing his legal challenge, Mr. Rossi's staff contacted PDC staff with questions regarding how he might continue to raise funds to pay his staff during the recount process. PDC staff advised him that he could not raise political campaign funds for the 2004 election after the November 30 election cycle cutoff without filing a new C-1 candidate registration for a future election campaign.
- On December 13, 2004, Mr. Rossi filed a C-1 Candidate Registration statement, registering as a candidate for Governor in the 2008 election. On January 11, 2005, Mr. Rossi filed an initial C-4 summary report for the period beginning December 1, 2004. The 2008 campaign report began with a balance of \$89,778,

the surplus remaining from his 2004 campaign, and also showed a transfer of \$243,200 in debt from that campaign of which \$240,000 was described as contingent victory bonuses for Mr. Rossi's campaign staff and consultants. The remaining debts were described as obligations for travel expenses (\$2,700) and wages (\$500).

- Through June 2005, Mr. Rossi received approximately \$236,301 in new contributions, and made approximately \$240,184 in expenditures. From July 2005 to January 2006, Mr. Rossi incurred an additional \$101,286 in expenditures, including a \$75,000 payment for legal expenses related to the election challenge. In September 2005, the \$240,000 in debt previously listed for contingent victory bonuses for Mr. Rossi's staff and consultants was removed from his reports. In a C-4 report filed on February 1, 2006, Mr. Rossi's cash-on-hand balance was listed as zero. Although the report was not marked as a final report, Mr. Rossi stated that his intent was to conclude the reports filed with the PDC for his election challenge.

December, 2004 through June, 2005: Election Challenge Period	
CATEGORY	TOTAL EXPENSES
General Operations/Overhead	\$36,787.70
Travel	\$17,014.24
Wages	\$118,925.21
Consulting	\$30,704.07
Advertising/Direct Mail/Postage	\$29,752.94
Polling	\$7,000.00
TOTAL	\$240,184.16

July, 2005 through January, 2006: Post- Election Challenge & Pre-Foundation	
CATEGORY	TOTAL EXPENSES
General Operations/Overhead	\$5,786.73
Travel	\$2,700.00
Wages	\$5,941.20
Consulting	\$4,500.00
Direct Mail	\$7,358.35
Legal Fees	\$75,000.00
TOTAL	\$101,286.28

- Mr. Rossi stated that the reports filed with the PDC as being for the 2008 election cycle did not pertain to any campaign for office. He stated that he submitted these reports only on the advice of PDC staff in order to raise funds for expenses related to the election challenge following the 2004 gubernatorial election. PDC staff found no evidence that Mr. Rossi mischaracterized the advice the PDC gave

him, or that the expenses disclosed on reports filed subsequent to the 2004 election supported a 2008 campaign effort.¹

- Throughout its investigation, the PDC staff did not find any documents or witnesses to support a conclusion that Mr. Rossi was intending to run for governor in 2008. All his public statements as well as those private ones obtained by PDC staff remain consistent that he had not made up his mind to enter the race for governor.
- According to the C-3 reports filed with the PDC in November 2007, Mr. Rossi reported accepting his first contributions in his bid for governor in 2008 on October 12, 2007. On October 25, 2007, Mr. Rossi formally announced his candidacy for governor in the 2008 election.

Based on the documentation recently filed by Mr. Rossi, he became a candidate for governor on or about October 12, 2007. While he technically registered as a candidate for the 2008 gubernatorial race in December 2004, he did so at the direction of PDC staff with the understanding that this was necessary in order to raise litigation funds for the 2004 election challenge. While filing a candidate registration is one means of establishing oneself as a candidate under RCW 42.17.020(9), Mr. Rossi's subsequent actions regarding the 2008 candidacy registration were consistent with a desire to create a legal fund, rather than receive political contributions or make expenditures with the intent of advancing any candidacy in 2008. Accordingly, the PDC staff is of the opinion that insufficient evidence exists to find that Mr. Rossi was a candidate for the 2008 gubernatorial race prior to October 12, 2007.

2. FORWARD WASHINGTON FOUNDATION AS A POLITICAL COMMITTEE

PDC staff also believes that insufficient evidence exists to demonstrate that the Forward Washington Foundation constituted a political committee in support of Mr. Rossi. This belief is based on the facts discovered during the investigation as well as the following legal analysis of what constitutes a political committee.

RCW 42.17.020(38) defines a "political committee" as any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition. To qualify as a "political committee," an organization must have as one of its primary purposes "to affect, directly or indirectly, governmental decision making by supporting or opposing candidates or ballot propositions." *State v. Dan J. Evans Campaign Comm.*, 86 Wn.2d 503, 509, 546 P.2d 75 (1976). Determination of whether electoral political activity is one of the organization's

¹ Mr. Rossi reported \$240,000 in outstanding debt that was described as potential victory bonuses to 2004 campaign staff should he win the election challenge. As such, he was required to report that obligation as either an outstanding debt of 2004 campaign or a carry-forward obligation of the 2008 campaign. However, he is not required to report any funds he raised or spent on the election challenge under RCW 42.17.

primary purposes “should include an examination of the stated goals and mission of the organization and whether electoral political activity was a primary means of achieving the stated goals and mission during the period in question.” *State ex. rel. Evergreen Freedom Foundation v. Washington Educ. Ass’n*, 111 Wn. App. 586, 599, 49 P.3d 894 (2002).

When determining an organization’s “primary purpose,” the Washington courts have identified the following non-exclusive factors to consider:

- 1) the organization’s stated goals and mission,
- 2) whether the organization’s conduct furthers its stated goals and mission,
- 3) whether the stated goals and mission would be substantially achieved by a favorable outcome in the election, and
- 4) whether the organization uses means other than political activity to achieve its stated goals and mission.

Id. at 600. “If the activities of an organization reveal that a majority of its efforts are put toward electoral political activity, the fact finder may disregard the organization’s stated goals to the contrary.” *Id.*

To be a political committee requires the collection of campaign contributions or expenditure of funds “in support of, or opposition to, any candidate.” RCW 42.17.020(38). In both the *Evans* and *Washington Education Association* cases, the courts rejected arguments that the organizations had to register as political committees, based on findings that neither organization had influencing the outcome of elections as a primary purpose. In both cases, the courts found that the organizations at issue achieved their primary purposes without engaging in political advocacy.

PDC staff believes that the evidence is insufficient to say that Mr. Rossi was a candidate at the time the complaint was filed, as that term is defined by the Act. This necessarily undermines any argument that Forward Washington Foundation might have acted as a political committee on his behalf during the relevant times in question.

Even if Mr. Rossi had established his candidacy prior to October 12, 2007, there is little evidence supporting a conclusion that the Forward Washington Foundation’s primary purpose was to function as a political committee supporting his candidacy. The Report of Investigation outlines the following, discovered by PDC investigation:

- A description of the process used by Forward Washington Foundation representatives during the start-up phase, including contacts with PDC staff,
- Identification of the Forward Washington Foundation’s purpose,
- Evaluation of certain financial affairs of the Forward Washington Foundation,
- Activities of the Forward Washington Foundation representatives from its inception through the end of October 2007,
- Actions related to the Washington Idea Bank, and

- The public opinion research related to the 2008 gubernatorial race.

Based on these facts and the legal framework defining a political committee, the PDC staff believes that, during the relevant times, Forward Washington Foundation acted in a manner consistent with its stated goals and mission as a social welfare organization - to improve the business climate for small and medium size businesses in the state of Washington - and not as a political committee engaged in electoral activity.

Although there was evidence that the Forward Washington Foundation paid Mr. Rossi and the Foundation staff to travel to Foundation events around the state, the investigation showed that the purpose of that travel was to promote the ideas and concepts underlying the Forward Washington Foundation. The evidence that on at least two occasions, Mr. Rossi also attended political events sponsored in the communities on his own time and separate from the Foundation is insufficient to meet the legal requirement for defining a political committee.

The only other evidence that might have supported a conclusion that Forward Washington Foundation was a political committee - the use of Foundation funds to augment the 2004 Rossi campaign mailing list for use in Forward Washington Foundation fundraising activities - is also insufficient from an evidentiary point of view. The augmentation appears reasonably related to the goals and mission of the Forward Washington Foundation.

In sum, PDC staff believes that there was insufficient evidence to support the allegation that the Forward Washington Foundation was acting as a political campaign committee for Mr. Rossi's 2008 gubernatorial candidacy or that Mr. Rossi evaded political campaign contribution limits and disclosure requirements through the fundraising and expenditure actions of the Foundation. Nothing in RCW 42.17 prohibits a public figure from promoting the goals of a social welfare organization he or she founded by engaging in public discussion of those goals. Nor does RCW 42.17 require reporting of this activity.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Commission, I am dismissing the complaint you filed against Dino Rossi and the Forward Washington Foundation. Mr. Rossi and the Forward Washington Foundation are being notified of this dismissal by separate letter.

If you are not satisfied with the dismissal of this complaint, pursuant to WAC 390-37-030(3), you may seek an appropriate remedy under RCW 42.17.400(4), a copy of which is enclosed.

Thank you for bringing this matter to our attention. The process relies on citizens monitoring campaign activity to promote full compliance with the law. Your actions will contribute to better awareness of the Public Disclosure Law.

Dwight Pelz
Complaint Against Dino Rossi and Forward Washington Foundation
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If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853, toll free at 1-877-601-2828 or by email at pstutzman@pdc.wa.gov.

Sincerely,

Vicki Rippie
Executive Director

DRAFT



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE)	PDC CASE NO: 08-001
WITH RCW 42.17)	
)	
FORWARD WASHINGTON)	REPORT OF INVESTIGATION
FOUNDATION AND DINO ROSSI)	
)	
Respondents.)	
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I.

BACKGROUND

- 1.1 In 2004, Dino Rossi ran for Governor of the State of Washington against Christine Gregoire. The election resulted in two recounts and a legal challenge that was unsuccessful. Chelan County Superior Court Judge John Bridges ruled against the petitioners, and Mr. Rossi decided not to appeal the ruling.
- 1.2 On December 13, 2004, Mr. Rossi filed a Candidate Registration with the Public Disclosure Commission, indicating that he was registering as a candidate for governor in the 2008 election. Mr. Rossi's staff had contacted the PDC, stating that he needed to continue raising funds to pay his staff during the recount process. PDC staff advised his staff that Mr. Rossi could not raise funds beyond the November 30 election cycle cutoff without filing a new C-1 candidate registration for a future election cycle.
- 1.3 In February of 2006, Mr. Rossi founded the Forward Washington Foundation, a 501(c)(4) non-profit described in its organizing documents as a social welfare organization "*dedicated to improving the welfare of the people of Washington state, and making Washington a better place to live, work and do business.*" The Foundation's co-founder was Mary Lane, policy



and communications director for the 2004 Friends of Rossi campaign. (Ms. Lane has since married, and changed her name to Mary Strow. Hereafter in this report, she is referred to by her current, married name.) Following its inception, the Foundation embarked on a program of public communications that included speeches, public forums, mailings, and Web materials, all focused on public policy issues in Washington State.

- 1.4 From February 2006 until October 25, 2007, Mr. Rossi repeatedly stated that he was not a candidate for governor in the 2008 election. He further stated that the Foundation was not connected to any campaign for office, and was intended to continue beyond any election. Mr. Rossi stated that he would decide toward the end of 2007 whether to run in that election, and only after extensive consultation with his family.
- 1.5 On October 25, 2007, Mr. Rossi formally announced his candidacy for governor in the 2008 election and filed a C-1 registration. On November 9, 2007, he filed a C-3 contribution report disclosing \$11,200 in contributions received on October 12, 2007.

II.

SCOPE

2.1 Staff reviewed the complaint received on June 27, 2007 from Dwight Pelz, chairman of the Washington State Democrats.

2.2 Staff conducted 21 formal and informal interviews, as follows:

Forward Washington Foundation: Dino Rossi (president), Ted Dahlstrom (executive director), Mary (Lane) Strow (executive director), Sarah Dorn (executive director), Tim Kovic (temporary employee), and Brian Smith, (temporary employee);

Washington State Republican Party: Luke Esser (chairman), Jeremy Deutsch (executive director), and Tom Goff, (political director);

Local-level Republican Party Organizations: Cathy Colley (Grays Harbor Republican Party), Susan Fagan (Whitman County Republican Party), Deryl McCarty, Jean Miller, and Marlyn Jensen (Pierce County Republican Party);

Other: Amy Barnes (principal, Fundraising Partners Northwest), Bill Quigg (president, Grays Harbor Paper), Jon Russell (Washougal City Council), Bob Moore (president, Moore Information), Paul Bennecke (political director, Republican Governor's Association), Bob Baersack (press officer, Federal Election Commission), Patsy Rushing (Commission clerk, Florida Elections Commission).

- 2.3 Staff reviewed the written response to the complaint, received on July 30, 2007 from John White, counsel for Forward Washington Foundation and Dino Rossi.
- 2.4 Staff reviewed the Foundation's invoices and a checkbook ledger in the form of a printed QuickBooks spreadsheet.
- 2.5 Staff reviewed two fundraising letters mailed by the Foundation.
- 2.6 Staff reviewed campaign finance disclosure reports filed by Friends of Rossi 2004 campaign for governor, and Mr. Rossi's reports filed during the 2008 election cycle (contributions and expenditures).
- 2.7 Staff reviewed a C-1 registration filed by Mr. Rossi on October 25, 2007, and C-3 contribution reports filed on November 9, 2007.
- 2.8 Staff reviewed approximately 20 newspaper articles and other media coverage involving Mr. Rossi and/or the Foundation.
- 2.9 Staff viewed and/or listened to 11 speeches, interviews, and presentations by Mr. Rossi on behalf of the Foundation, at non-Foundation events, and during his 2004 campaign. The majority of these recordings were provided by the Washington State Democrats, with the remainder accessed through a variety of online sources.
- 2.10 Staff requested copies of any type of communication (emails, correspondence, memoranda, etc.) received or sent by current and former Foundation staff related to or mentioning the Foundation and prospective or potential campaigns for public office by Mr. Rossi. In a letter received on October 23, 2007, the Respondents' legal counsel stated that there were no documents responsive to this request.

- 2.11 Staff reviewed a letter received on November 2, 2007 from Paul Bennecke, political director of the Republican Governor's Association.
- 2.12 Staff reviewed public releases of election-related polling information by the firms Moore Information and Strategic Vision.
- 2.13 Staff reviewed sales materials for political donor mailing lists, available on the Internet from companies such as Pinnacle List Company, Nextmark Incorporated, and Political-Donors.com.
- 2.14 Staff reviewed materials available in the media and from other Internet sources concerning non-profit foundations and public policy "think tanks" such as the Rainier Institute, the Center for Promise and Opportunity, and the Foundation for Florida's Future.
- 2.15 Staff examined Web sites for the Forward Washington Foundation, the Washington Idea Bank, the Friends of Rossi 2004 Campaign, and Forward Books LLC.

III.

ALLEGATIONS IN COMPLAINT

- 3.1 On June 27, 2007, Dwight Pelz, chairman of the Washington State Democratic Party filed a complaint against Dino Rossi and the Forward Washington Foundation . **(Exhibit 1)** The complaint alleged that Mr. Rossi was a declared candidate for governor in the 2008 election, and that the Foundation's primary purpose and activity was that of a political committee, to solicit and spend contributions in support of a declared candidate for public office. Mr. Pelz alleged that the Foundation paid Mr. Rossi and his staff to travel the state, give speeches, and otherwise promote Mr. Rossi in a manner that is indistinguishable from a political campaign. He alleged that Mr. Rossi was deliberately evading statutory contribution limits, restrictions and disclosure requirements by funneling financial support to his 2008 gubernatorial campaign through a non-profit entity.

- 3.2 PDC staff investigated the complaint to determine whether Mr. Rossi satisfied the statutory definition of a "candidate," and whether the Foundation or Mr. Rossi acted so as to meet the statutory definition of a "political committee." (See RCW 42.17.020[9] and [38], cited on page 24 of this report.)

IV.

FINDINGS

- 4.1 **2004 Gubernatorial Election Results**: As of December 10, 2004, one machine recount had been conducted for the 2004 gubernatorial election, resulting in a 42-vote lead for Mr. Rossi over Ms. Gregoire. On December 3, 2004 the Washington State Democratic Party requested and paid for a second, manual recount. The Office of the Secretary of State ordered the second recount on December 6, 2004, but the recount had not yet been completed as of the date of Mr. Rossi's post election C-4 filing on December 10, 2004.
- 4.2 The manual recount resulted in a lead for Ms. Gregoire over Mr. Rossi. On January 7, 2005, following the certification of Ms. Gregoire's win over Mr. Rossi, several petitioners filed suit in Chelan County Superior Court, challenging the outcome of the election and demanding a re-vote. The petitioners included Mr. Rossi's campaign committee and Chris Vance, then the chairman of the Washington State Republican Party.
- 4.3 On June 6, 2005, the court ruled against the petitioners and certified the election results in favor of Ms. Gregoire.
- 4.4 **Conclusion of Rossi 2004 Campaign filings**: November 30, 2004 marked the end of the 2004 election cycle.
- 4.5 On December 10, 2004, the Friends of Rossi 2004 committee filed a post-election C-4 summary report that listed \$140,727 in cash-on-hand as of November 30, 2004. (**Exhibit 2**) The report also listed \$263,289 in debts outstanding as of that date. Of these debts, approximately \$240,000 was described as contingent victory bonuses for Mr. Rossi's campaign staff and consultants.

- 4.6 On January 10, 2005, the Friends of Rossi 2004 committee filed a C-4 summary report for the period closing on December 31, 2004. **(Exhibit 3)** Although the report showed no cash on hand and no outstanding debt, it was not marked as a final report. Among the \$140,727 in expenditures disclosed on the report was an \$89,778 transfer to "Rossi for Governor 2008" committee.
- 4.7 **Rossi PDC filings following the end of the 2004 Election Cycle:** On December 13, 2004, prior to the certification of the second, manual recount, Mr. Rossi filed a C-1 Candidate Registration for Governor in the 2008 election. **(Exhibit 4)** In an interview under oath conducted for this investigation, Mr. Rossi stated that this C-1 registration was intended to facilitate fundraising for the 2004 election challenge effort, and did not relate to any future campaign for office.
- 4.8 On January 11, 2005, Mr. Rossi filed an initial C-4 summary report for the period beginning December 1, 2004. **(Exhibit 5)** The report began with a balance of \$89,778, the surplus remaining from his 2004 campaign, and also showed a transfer of \$243,200 in debt from that campaign. As discussed above, \$240,000 of this debt was described as contingent victory bonuses for Mr. Rossi's campaign staff and consultants. The remaining debts were described as obligations for travel expenses (\$2,700) and wages (\$500).
- 4.9 Through June 2005, Mr. Rossi received approximately \$236,301 in new contributions and made approximately \$240,184 in expenditures. From July 2005 to January 2006, Mr. Rossi incurred an additional \$101,286 in expenditures, including a \$75,000 payment to the law firm of Davis Wright Tremaine, LLP for legal expenses related to the election challenge. This payment was not included in Mr. Rossi's reports through a technical error, but was confirmed by his staff and by a C-4 and Schedule B report filed by the Washington State Republican Party on January 9, 2006, disclosing the \$75,000 payment from the Rossi committee as an in-kind contribution to the party. **(Exhibit 6)** In September 2005, the \$240,000 in debt previously listed for contingent victory bonuses for Mr. Rossi's staff and consultants was removed from his reports. In a C-4 report filed on February 1, 2006, Mr. Rossi's balance of cash-on-hand was listed as zero. **(Exhibit 7)** Although no subsequent reports were filed, the February 1, 2006 C-4 report was not marked as a final report.

The following is a summary of Mr. Rossi's 2008 expenditures:

December, 2004 through June, 2005: Election Challenge Period	
CATEGORY	TOTAL EXPENSES
General Operations/Overhead	\$36,787.70
Travel	\$17,014.24
Wages	\$118,925.21
Consulting	\$30,704.07
Advertising/Direct Mail/Postage	\$29,752.94
Polling	\$7,000.00
TOTAL	\$240,184.16

July, 2005 through January, 2006: Post- Election Challenge & Pre-Foundation	
CATEGORY	TOTAL EXPENSES
General Operations/Overhead	\$5,786.73
Travel	\$2,700.00
Wages	\$5,941.20
Consulting	\$4,500.00
Direct Mail	\$7,358.35
Legal Fees	\$75,000.00
TOTAL	\$101,286.28

4.10 PDC staff's review of expenditures by Mr. Rossi following the end of the 2004 election cycle indicates that the payments were for staff, administrative expenses, and other costs including legal fees incurred during the 2004 election challenge. Mr. Rossi stated to PDC staff that even though he filed a C-1 showing him as a candidate for governor in 2008, his expenditures were not for any campaign for office, and were exclusively related to the 2004 election challenge. He stated that his C-1 Candidate Registration for the 2008 election cycle was filed on the advice of PDC staff, who he stated told his staff that in order to continue raising funds beyond the end of the 2004 election cycle, he must have a committee registered for a future election. He stated that when all expenses related to the election challenge were paid, he instructed his staff to close the bank account and to "shut down" his filings with the PDC. On August 8, 2007, Brian Smith, the member of Mr. Rossi's staff charged with electronic filing of PDC reports, stated to PDC staff member Tony Perkins that Mr. Rossi had given him instructions to finish his PDC filings for the activities that occurred during the election challenge period, and that he attempted to do so. However, he stated that the last report was inadvertently not marked as a final report through a technical error.

4.11 PDC staff asked Mr. Rossi why, if his filings following the submission of a C-1 showing him as a candidate for governor in 2008 were not related to a future election campaign, he had not inserted a statement to that effect in his PDC file (i.e., explaining that he was not a candidate for office). Mr. Rossi replied that he did not know why this was not done. However, he stated that he believed the nature of his efforts was clear from statements he and his

staff made in the media, explaining that his 2008 PDC filings were related only to the 2004 election challenge.

- 4.12 **Consultation with PDC:** Beginning in November of 2005, Mary Strow contacted PDC staff members Kurt Young and Phil Stutzman on six occasions regarding a non-profit foundation she and Mr. Rossi were in the process of establishing under section 501(c)(4) of the Internal Revenue Code.
- 4.13 In her communications with PDC staff, Ms. Strow identified the new non-profit organization as the "Forward Washington Foundation." **(Exhibit 8)** She stated that the Foundation's plans included indirect lobbying on state policy issues and state legislation, through speeches and other public statements, mailings, email communications, and possibly radio advertising. She stated that the Foundation would not directly lobby members of the legislature.
- 4.14 Ms. Lane repeatedly asked PDC staff whether the Foundation would have a reporting requirement with the PDC, and specifically if it would be required to disclose individual donors. On November 10, 2005, PDC staff member Phil Stutzman responded that if donations were solicited for the purpose of making contributions or expenditures in support of or opposition to candidates or ballot propositions, or if electoral political activity became one of the primary purposes of the Foundation, it would be required to report as a political committee. **(Exhibit 9)** In an email sent on May 4, 2006, PDC staff member Kurt Young stated that the Foundation could also incur a reporting requirement through lobbying activity. **(Exhibit 8, p 5)**
- 4.15 **Formation of the Foundation:** On February 7, 2006, Ms. Strow filed Articles of Incorporation for the Forward Washington Foundation with the Washington Secretary of State. **(Exhibit 10)** On February 8, 2006, the Foundation bylaws were adopted and certified by Ms. Strow. **(Exhibit 11)** On May 2, 2006, Ms. Strow filed an application on behalf of the Foundation with the IRS for tax-exempt status under section 501(c)(4) of the tax code. **(Exhibit 12)**
- 4.16 During the 2004 general election campaign, Mr. Rossi gave the name "Forward Washington" to his campaign program. **(Exhibit 13)** The "Forward Washington" campaign program advocated changing policies that make the state's business climate less favorable; making health care coverage more affordable through less regulation and more competition; instituting medical liability reform; passing various standards-based reforms in the state's school system; guaranteeing K-12 education funding; ending budgetary practices that

create instability in programs affecting the state's most vulnerable citizens; and fully funding the Washington State Parks system.

- 4.17 Mr. Rossi gave the name "Forward Books" to a publishing company he helped to found in August of 2005, and which published his 2005 memoir, "*Dino Rossi: Lessons in Leadership, Business, Politics and Life.*" (**Exhibit 14**)
- 4.18 **Staff, Board and other Advisors to the Foundation:** From its inception until September 11, 2007, Mr. Rossi served as the president of the Foundation. He resigned as president of the Foundation on September 11, 2007, and that position is now held by former State Senator Dan McDonald.
- 4.19 The Foundation's application for tax-exempt status with the IRS stated that Mr. Rossi would act as the Foundation's part-time president and would be compensated \$75,000 per year. (**Exhibit 12**) The application stated that Ms. Strow, the Foundation's first executive director, would work a full-time schedule and would be compensated \$50,000 per year.
- 4.20 The Foundation has had three executive directors, who held their positions as follows:

Mary Strow: Fall 2005 – Fall 2006
Sarah Dorn: Fall 2006 – Spring 2007
Ted Dahlstrom: Spring 2007 – Present

Mr. Rossi and other Foundation staff stated that the duties of the executive director included answering the telephone, responding to inquiries from the public, updating the Foundation's Web site, participating in fundraising for the Foundation, and coordinating Mr. Rossi's schedule of speaking engagements and other appointments.

- 4.21 As stated above, Ms. Strow was policy director and communications director for the Friends of Rossi 2004 campaign for governor. Sarah Dorn also served on Mr. Rossi's campaign staff, as the campaign's office manager. Both Ms. Dorn and Ms. Strow remained on Mr. Rossi's staff during the election challenge. Ms. Dorn was employed until February 2005, one month after the start of the election challenge lawsuit, and Ms. Strow was employed until July 2005, the month following the superior court ruling against Mr. Rossi. Ted Dahlstrom briefly volunteered for Mr. Rossi's 2004 campaign, but was not a paid staff member. His prior professional experience includes five years as a legislative assistant for US Senator Mike Crapo, Republican of Idaho.

4.22 In addition to the executive director, the Foundation has employed two short-term staff members. Timothy Kovic was hired as a part-time contract worker for the duration of a Foundation project (the Washington Idea Bank, discussed below). Brian Smith was hired by the Foundation on a temporary, hourly basis to perform data entry and other administrative duties. The Foundation has no other administrative staff.

4.23 The Foundation is served by a small group of board members and advisors, including State Senator Tim Sheldon, former Senator Jim Horn, Nan Malin, and Lary Coppola. Prior to taking the position of president, Dan McDonald also served as a board member for the Foundation. Foundation staff members stated that these board members and advisors were sometimes consulted by Foundation staff on questions of public policy.

4.24 **Stated Purpose of the Foundation:** The Foundation's Articles of Incorporation (**Exhibit 10**) indicate that at the time of its inception, the Foundation's stated purpose was that of a social welfare organization "*dedicated to improving the welfare of the people of Washington State, and making Washington a better place to live, work and do business.*" The Foundation's application for tax-exempt status stated that the Foundation's president, and occasionally its executive director, would speak and take positions on issues affecting state government, issues that could be subject to action by the state legislature, the governor, and regulatory agencies, including "*business climate, state budget, health care, education, programs for the poor and the vulnerable, state parks, tax policy, state government, transportation and so on.*" The application stated that the Foundation's activity would take the form of "*speeches, statements to the media, forums, seminars and panel discussions, research into state government issues, mail and e-mail communications to state residents, occasional paid media advertising and communication via the foundation web site.*"

4.25 **Official Communications by the Foundation:** In December of 2006, a Web site for the Foundation was posted to the address www.forwardwashington.org. The initial version of the Web site stated that the Foundation "*is a non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of Washington state, its citizens and its economy.*" It stated that the Foundation was "*focused on state-level issues such as improving the business climate, especially for small and medium-sized businesses, responsible state budgeting, accountability in state government and protecting the poor and the vulnerable[.]*" and that its goal was "*to promote and offer proposals that will improve the quality of life and economic opportunities for all*

of Washington's citizens." **(Exhibit 15, p 1)** Additional content on the site included a statement from Mr. Rossi, five articles detailing the Foundation's policy positions, and links to several reports released by outside organizations, including the Washington Research Council, the CATO Institute, the Evergreen Freedom Foundation, and the Corporation for Enterprise Development. Beginning in May of 2007, the site featured a monthly newsletter that continued until August, and included spotlight articles on individual Washington State businesses.

- 4.26 The original articles and papers by outside organizations posted to the Foundation's Web site voiced consistent criticism of the policies of the current state government, including budgeting decisions, regulations affecting the business climate, administration of state pensions, and policies concerning health insurance, transportation, and state standards in education. The first entry on the site, an unattributed article titled "*Essential Fiscal Reforms for 2007 and Beyond*," discussed the budget written in the 2003 legislative session, when Mr. Rossi was chairman of the Senate Ways and Means Committee:

"If every dark cloud has a silver lining, then the strides made to create a more fiscally and socially responsible state budget in the middle of the 2002-2003 economic downturn is surely it. Lessons from five years ago form the basis of the Forward Washington Foundation's recommendations for eight essential budget reforms for 2007 and beyond that will ensure Washington's continued economic vitality for generations to come.

Just as in any bad time, the silver lining of that 2002-2003 economic downturn was a return to focusing on the priorities of state government. Faced with a \$2.8 billion deficit in the state biennial budget, the legislative leaders of the time maintained a philosophy of fiscal conservatism combined with a social conscience that resulted in crafting a balanced state budget that protected our most vulnerable Washington residents.

...Unfortunately, as hard economic times passed, the executive branch and current legislators have detoured off the path of responsible fiscal decision-making that produces consistency and predictability in state government. If the 2007 biennial budget process mirrors the 2005 budget, then our state will find itself in a deep hole when the next economic downturn strikes our region."

The article advocated for making education funding one of the highest priorities of the budget process, making health care coverage more affordable through less regulation and more competition, changing policies that make the state's business climate less favorable, ending budgetary practices that create instability in programs affecting the state's most vulnerable citizens, instituting

reforms in state pension programs and collective bargaining agreements, and fully funding the Washington State Parks system. Most of these policy positions were previously outlined in Mr. Rossi's "Forward Washington" campaign program for the 2004 election. **(Exhibits 13, 16)**

4.27 **Additional Communications by Officials of Forward Washington:** PDC staff requested copies of any type of communication (emails, correspondence, memoranda, etc.) received or sent by current and former Foundation staff related to or mentioning the Foundation and prospective or potential campaigns for public office by Mr. Rossi. In a letter received on October 23, 2007, the respondents' legal counsel stated that there were no documents responsive to this request. **(Exhibit 17)**

4.28 **Business Survey:** In January of 2007, the Foundation solicited business owners to complete a survey concerning "*the challenges facing businesses in Washington state.*" The solicitation asked interested business owners to contact Foundation staff to participate in the survey. It stated that the Foundation intended "*to discuss overall findings and propose subsequent legislation to address small and medium size employer concerns.*" Beginning in August of 2007, the survey was offered online through a link from the Foundation's Web site. **(Exhibit 15, pp 2 - 7)**

4.29 The survey solicited basic information about the nature and size of the participant's business, and posed the following questions:

"Have you ever considered leaving the state to another location that has a more favorable business climate?"

"What business climate challenges [sic] give you reason to consider this relocation option or possibly close your business completely?"

"What barriers, if any, hold you back from expanding your business or further investing in other entrepreneurial endeavors?"

"What reforms do you feel are necessary at the state level for current and prospective businesses?"

4.30 **Speeches to Community Groups and Associations:** During his time as president of the Foundation, Mr. Rossi met with and gave speeches to community groups and membership associations, including the Washington State chapters of the National Federation of Independent Business, the Association of Washington Business, the Washington Realtors Association, the

Building Industry Association of Washington, the Building Industry Association of Southwest Washington, and numerous local Rotary organizations and chambers of commerce. PDC staff was able to verify the date and location of thirteen such meetings and speaking events through the end of October 2007, but was unable to determine the dates of seven others that the Foundation's staff stated had occurred.

No details of any kind could be found concerning at least some speaking events, due primarily to the inability of Foundation staff to recall those details. Mr. Dahlstrom stated that Mr. Rossi kept between 10 and 15 speaking engagements in the month of May 2007, which is at least eight more than PDC staff was able to document for that month. Mr. Rossi stated that he delivered "a lot" of speeches to groups such as local chambers of commerce and rotaries, during his time as president of the Foundation. He could not provide an approximate figure of the number of speeches given.

- 4.31 PDC staff reviewed complete audio or video recordings of Mr. Rossi's presentations as the keynote speaker for the Tacoma/Pierce County Chamber of Commerce Awards Banquet (June 27, 2006), the Port Orchard Chamber of Commerce (March 8, 2007), and the Monroe Chamber of Commerce (July 10, 2007). The initial focus of the speeches was a critique of the budgeting process of the current state government, which Mr. Rossi stated had turned a record surplus into the largest budget deficit in state history. He stated that this could be explained by what he called "Rule Number 1," that "*the easiest way to get re-elected is to give people things.*" He referenced the "Priorities in Government" program spearheaded by Governor Gary Locke, and stated that this kind of responsible spending was lacking in the current government, with the effect that the costs of doing business in Washington State are among the highest in the country. He cited high workers' compensation payouts, high taxes on small businesses, high unemployment insurance rates, and numerous mandates on healthcare providers, which he stated drive down competition and increase the expense of providing coverage to employees. He also advocated for the repeal of the estate tax.
- 4.32 In his speeches, Mr. Rossi revisited the positions enumerated on the Foundation's Web site, including the need to restore the state spending limits established under Initiative 601, to create a constitutionally mandated rainy day fund, and other policies advocated for in "*Essential Fiscal Reforms for 2007 and Beyond.*" (See 4.26, above.) He stated that the Foundation wished to help make Washington an attractive home to business owners and entrepreneurs. He stated that "naysayers" would say that this policy vision would never be

realized; he countered that his personal and family history taught him never to listen to such skeptics.

- 4.33 In discussing these "naysayers" in his speeches, Mr. Rossi states that no one believed he would be elected governor in his 2004 campaign; he then says "we did that twice," to indicate again that seemingly impossible goals can be surmounted. Other than these statements, PDC staff found little or no discussion related to the 2004 election in Mr. Rossi's speeches to community groups on behalf of the Foundation.
- 4.34 **Washington Idea Bank:** In April of 2007, during the transition between the executive directorships of Ms. Dorn and Mr. Dahlstrom, the Foundation was in the process of developing a project that came to be called the Washington Idea Bank. The project included a Web site that received public comments and recommendations, and also included twelve public forums held in locations around the state.
- 4.35 Mr. Kovic stated that Mr. Rossi was approached by Lou Guzzo, a journalist and former advisor to Governor Dixy Lee Ray, with the suggestion that culminated in the Idea Bank. Ms. Dorn stated that in planning the Idea Bank, the Foundation was influenced by the example of similar projects conducted in other states; she cited the program "100 Ideas for Florida's Future," conducted by Florida House Speaker Marco Rubio. Ms. Dorn stated that the purpose of the Idea Bank was to gather recommendations for government priorities from private citizens, which she stated would be contrasted against the actual priorities of the current government.
- 4.36 Mr. Dahlstrom stated that Mr. Rossi formed the committee that would review the ideas gathered through the Idea Bank and choose the best proposals. He stated that Mr. Rossi recruited the participation of Lou Guzzo on this committee, together with Susan Hutchison (a former television news anchor and the current executive director of the Charles Simonyi Fund for Arts and Sciences) and Dr. Matthew Manweller (a professor of political science at Central Washington University). After Mr. Dahlstrom was hired as executive director of the Foundation, he became a member of the Idea Bank committee, and worked to facilitate the committee's review of the ideas the Foundation received through the project.
- 4.37 The Web site for the Washington Idea Bank, www.washingtonideabank.org, states the following (**Exhibit 18**) about the project:

"When there is a lack of leadership in Olympia we see the business climate worsen, out of control spending and a return to huge deficits. The same people with the same failed policies operated this state. Therefore, ideas must come from regular Washingtonians who live outside of the Olympia 'beltway.'

The Forward Washington Foundation, a non-partisan, non-political educational foundation, is taking the first step by asking Washingtonians to submit their ideas of how government should work and where to focus its priorities.

In coordination with local civic organizations, Forward Washington held 12 Idea Forums across the state. These forums were a terrific success that gave Washingtonians the unique opportunity to share new and dynamic ideas in a public setting.

...[A] committee made up of state leaders and academics has been sorting through the ideas that we received at the events and through the web site to find the ones that will do the most good for our state. These ideas will be included in a working document that the Foundation will present to the legislature next January. This work product will be a helpful resource for the legislature to use as they create legislation that affects all of us."

4.38 In a May 4, 2006 email to PDC staff member Kurt Young, Ms. Strow stated that the Foundation planned to undertake *"grassroots lobbying activities, such as urging the public to support or oppose a certain state policy idea or piece of legislation through speeches and other public statements, mailers, possibly radio ads, and e-mail updates."* In a subsequent email on June 15, 2006, Ms. Strow stated again that the Foundation did plan to conduct grassroots lobbying, but would not directly lobby the legislature. **(Exhibit 8)** However, in an interview with PDC staff, she stated that the Idea Bank project was not conceived of during her time with the Foundation. She stated that the Foundation did plan to make its own policy proposals through the Foundation's Web site, and in speeches by Mr. Rossi, but that during her time as executive director no concrete plans were formulated regarding indirect lobbying.

4.39 Ms. Dorn and Mr. Dahlstrom stated the ideas chosen by the Idea Bank committee would appear in some kind of document that would be presented to the 2008 legislature; however, both stated that during their times as executive director the Foundation had no specific plan to directly lobby the legislature, or specific plans related to indirect lobbying. Mr. Kovic stated that he believed that the Foundation planned to compile a document based on ideas gathered through the Idea Bank project, and in some manner make this document available to the legislature and the public. He stated that he was unaware of the ultimate plan for how the document would be presented.

- 4.40 Mr. Rossi stated that during his time as the Foundation's president, the Foundation planned to post the best ideas received through the Idea Bank project on its Web site. He stated that there had been no discussions or plans concerning other ways the ideas might be communicated. He stated that the Foundation had made no contacts with members of the legislature to apprise them of the Foundation's plans to make any ideas or proposals public. He stated that the Foundation had no plans related to indirect lobbying.
- 4.41 Mr. Dahlstrom and Mr. Kovic both stated that Mr. Kovic had been charged with setting up all Idea Bank events, and that he had done so with little or no direction from Mr. Dahlstrom or Mr. Rossi. Mr. Kovic stated that he maintained a list of contacts built during prior work for the Washington State Republican Party and Congressman Doc Hastings, and used these contacts to secure locations for Idea Bank events, and also to generate local interest in the events.
- 4.42 PDC staff reviewed complete video recordings of four Idea Bank events held in the following locations: Vancouver (June 14, 2007), Bellingham (June 20, 2007), Issaquah (July 10, 2007), and Yakima (July 12, 2007). Staff's review indicates that the events, which were facilitated by Mr. Rossi, followed the same general format. At the events, Mr. Rossi introduced the Foundation and described its mission. He discussed the culture of government in Olympia, which he stated is dominated by government officials who erroneously believe that they "know absolutely everything." He stated that the goal of the Washington Idea Bank is to obtain solutions to the state's problems from people in local communities, who have real-world experience that government officials lack. He stated that the Foundation and the Idea Bank are non-partisan projects that are open to the input of Democrats, Republicans, and Libertarians. To "prime the pump," as he described it, he offered several of the Foundation's own ideas: reinstating the state spending limits enacted under I-601, establishing a constitutionally-mandated rainy day fund, and abolishing the estate tax. This introduction took up approximately fifteen minutes of the forum, leaving roughly an hour remaining.
- 4.43 Following this introduction, Mr. Rossi opened the discussion to ideas that had been submitted by audience members. Mr. Dahlstrom and Mr. Kovic presented Mr. Rossi with index cards gathered from the audience; Mr. Rossi sorted through the index cards and chose ideas to discuss. He called on the individual who submitted that idea, and asked him or her to 1) describe the problem and 2) to describe the solution. He then summarized or restated the audience member's recommendation, before choosing the next idea to discuss.

- 4.44 In the recordings of Idea Bank events that were reviewed by PDC staff, Mr. Rossi pointed out the camera person, who he identified as a political operative of either Governor Christine Gregoire or the Washington State Democratic Party. At the Bellingham Idea Bank event, one audience member asked to address Governor Gregoire through the video recorder, and exhorted the audience to rise and give a "thumbs-down" to the governor's policies. Although the tenor of the discussion at all events was sharply critical of the governor and the policies of the current government in Olympia, other than this episode in Bellingham, PDC staff found little in the Idea Bank events that could be said to resemble a campaign event.
- 4.45 **Non-Foundation Speeches and other Travel:** During his tenure as the Foundation's president, Mr. Rossi gave speeches and attended functions that were outside of the Foundation's official mission, and were often political in nature. The events included Republican club and local party committee functions, campaign events for Republican candidates, and meetings with officials of the Republican Governors' Association (RGA). Regarding these last meetings, Mr. Rossi stated that his discussions with RGA officials concerned the fallout from the 2004 Washington governor's race, the strengths and weaknesses of the Republican Party in Washington State, and the work that would be needed to elect a Republican governor in 2008.
- 4.46 The confirmed non-Foundation events that Mr. Rossi participated in were as follows:

Date	Event
May 9, 2007	Central Kitsap Republican Women's Luncheon, Bremerton
May 19, 2007	Mainstream Republicans Cascade Conference, Wenatchee
Appx May 2007	Meeting with Republican Governors' Assn (RGA) officials in Georgia
June 9, 2007	Jeffrey Possinger Campaign Kickoff, Redmond Town Center Marriott
June 15, 2007	Luncheon at Bridges Restaurant (Aberdeen/Hoquiam)
June 15, 2007	Grays Harbor County Republicans Spaghetti Feed
June 25, 2007	Campaign event for Senator Jim Clements in Yakima
September 6, 2007	Las Vegas Governors' Forum, sponsored by RGA

In addition, staff confirmed Mr. Rossi's participation in two political functions sponsored by local Republican Party committees immediately following his resignation as president of the Foundation.

- 4.47 Of the political events listed above, staff found that two coincided with Mr. Rossi's travel for official Foundation business. These events were a

luncheon and spaghetti feed in the Grays Harbor area on June 15, 2007, and a campaign event for Senator Jim Clements in Yakima on June 25, 2007, which coincided (respectively) with a Washington Idea Bank event in Hoquiam on June 15, 2007, and Mr. Rossi's travel to Whitman and Spokane counties for Idea Bank events on June 26, 2007.

- 4.48 Mr. Rossi and Mr. Dahlstrom stated that Mr. Rossi considered himself to be "on his own time" at these non-Foundation events. Mr. Rossi stated that he believed that the Foundation paid for all travel expenses related to official Foundation business, and paid only for those expenses. However, he stated that no effort was made to "carve out" travel or other expenses which might have been attributable in part to non-Foundation events. As such, the Foundation's funds may have paid for a minimal amount of Mr. Rossi's personal travel to political events. For the events in question, staff found no evidence that the payments exceeded expenses for mileage.
- 4.49 Similarly, PDC staff found that as executive director, Mr. Dahlstrom was involved in scheduling Mr. Rossi's participation in some non-Foundation political events, such as meetings with officials of the Republican Governors' Association in Georgia and Las Vegas. Mr. Rossi stated that Mr. Dahlstrom's duties included maintaining Mr. Rossi's schedule; he stated that Mr. Dahlstrom was involved in scheduling non-Foundation events only to the degree necessary, so that conflicts with official Foundation business could be avoided. Staff found that Mr. Dahlstrom's documented activity in his role as executive director was overwhelmingly related to official Foundation business.
- 4.50 **Public Opinion Research Regarding 2008 Governor's Race:** On July 19, 2007, the public opinion research firm Moore Information released a memo detailing the results of polling that matched Governor Christine Gregoire against Mr. Rossi in the 2008 gubernatorial election. **(Exhibit 19)** The memo stated that the poll was conducted in two stages during February and July of 2007, and that both stages found Governor Gregoire and Mr. Rossi in a statistical dead heat for the 2008 election.
- 4.51 PDC staff contacted Bob Moore, the president of Moore Information to determine whether this poll was connected in any way to the Foundation. **(Exhibit 20)** Mr. Moore stated that his firm, on its own initiative, added two questions regarding the 2008 Washington gubernatorial race to polls commissioned by other entities on other topics; he stated that he often does this, and publicizes the results of his research, to generate business for his firm. He stated that no one paid his firm to ask questions concerning the

2008 Washington governor's race in the February and July 2007 surveys. To respect his clients' confidentiality, he would not reveal who had sponsored the underlying research. Mr. Moore said that neither Mr. Rossi, any Rossi campaign, nor the Foundation had asked him to poll a head-to-head match of Mr. Rossi and Governor Gregoire in the 2008 election.

- 4.52 Mr. Moore stated that after the surveys regarding the 2008 Washington gubernatorial race were performed, he notified the media of the results first. He then sent a memo regarding the polls to an existing list of parties who had expressed interest in his firm's research. He stated that Mr. Rossi was included in the list of recipients, but that Mr. Rossi did not know about the polling before it was conducted nor did Mr. Rossi specifically ask to be informed of these results.
- 4.53 On September 16, 2007, an article by Neil Modie in the *Seattle Post-Intelligencer* (**Exhibit 21**) indicated that the Moore Information poll had been sponsored by the Republican Governors' Association. The article attributed this information to statements made by an officer of the Pierce County Republican Central Committee, included in the draft minutes of the committee's July 28, 2007 meeting. PDC staff obtained a copy of the draft minutes from PCRCC Chairman Deryl McCarty. (**Exhibit 22**) According to the minutes, Marlyn Jensen, the Pierce County State Committeewoman to the Washington State Republican Party, stated at that meeting that "*Republican Governors Assoc. poll looking good for Dino Rossi should he choose to become a candidate in 2008.*"
- 4.54 Deryl McCarty and Marlyn Jensen stated to PDC staff that they learned about the poll matching Governor Gregoire against Mr. Rossi at a State Committee meeting of the Washington State Republican Party, and were told at that meeting that it was sponsored by the Republican Governor's Association. (**Exhibits 23, 24**) However, neither could recall specifically who had spoken about the poll at that meeting.
- 4.55 PDC staff conducted interviews with Luke Esser, chairman of the Washington State Republican Party, Jeremy Deutsch, the party's executive director, and Tom Goff, the party's political director. All three officials stated that they were aware of the February/July 2007 Moore Information poll discussing the 2008 gubernatorial election, but that they only became aware of the poll through media accounts and the mass emails sent by Moore Information. They stated that they were not aware who had sponsored the poll. All three officials stated that they had discussed the poll's results with various people, but had not discussed them with Mr. Rossi. Mr. Deutsch

stated that he attended a meeting in July of the Executive Board of the Washington State Republican Party, and that Marlyn Jensen was in attendance at the event. He stated that there was discussion at that meeting of state party officials' meetings in Washington, DC with representatives of the Republican Governor's Association, but that the RGA was not brought up in any context involving polling.

- 4.56 Because Mr. Rossi attended meetings in 2007 with officials of the Republican Governors' Association, and because the firm Moore Information has performed survey research for Mr. Rossi in the past, PDC staff asked Mr. Rossi about the February/July 2007 Moore Information poll. Mr. Rossi stated that he became aware of this poll through media accounts and the mass emails sent by Moore Information. When asked whether he had discussed the Moore Information poll with any person during the Las Vegas Governors' Forum sponsored by the Republican Governor's Association, Mr. Rossi stated that he had given a speech at the event, and had discussed the poll in that speech. However, he stated that at that time, and at the time of his interview with PDC staff, he was not aware who had sponsored the poll.
- 4.57 PDC staff inquired with Paul Bennecke, deputy executive director and political director of the Republican Governors' Association, to determine whether the RGA had sponsored any public opinion research that matched Governor Gregoire against Mr. Rossi in the 2008 gubernatorial election. Staff asked Mr. Bennecke to include in his response polls sponsored by RGA on other subjects, to which the polling firm added questions concerning the 2008 Washington governor's race. Mr. Bennecke responded that the Public Disclosure Commission "*lacks the authority to regulate or inquire into public opinion research engaged in by RGA.*" **(Exhibit 25)** Notwithstanding his objection, he stated that the RGA had sponsored no research responsive to PDC staff's inquiry.
- 4.58 PDC staff was unable to determine the sponsor of the February/July 2007 Moore Information poll that contained questions on the 2008 Washington governor's race. However, staff found no evidence that the poll was conducted in consultation either with the Foundation or Mr. Rossi.
- 4.59 **Foundation Fundraising:** On August 9, 2007, PDC staff examined financial records of the Foundation in Kirkland, Washington. The records examined included bank statements from the Foundation's first deposits in April of 2006, up to and including activity occurring in the month of August, 2007. Staff's review indicated that the Foundation made \$356,770 in deposits in that time period. **(Exhibit 26)** The peak of the Foundation's

fundraising occurred in March of 2007, when it made deposits totaling \$71,295. By the end of March 2007, the Foundation had raised approximately 84% of the funds it would raise during the period covered by PDC staff's review.

- 4.60 RCW 42.17.090 requires political committees to disclose sources of contributions, however 501(c)(4) organizations are not required to disclose their donors. Because the status of the Foundation as a committee was at issue in this complaint, PDC staff decided not to seek the identities of donors to the Foundation until or unless it was determined that the Foundation was also a political committee. However, staff did learn information about the general nature of the Foundation's fundraising efforts through interviews with current and former Foundation officials and a review of the Foundation's records. Staff found that the Foundation conducted personal fundraising through meetings and telephone conversations with potential donors, and that it also mailed two fundraising solicitation letters in the spring of 2007. **(Exhibit 27)** Staff's review indicated that the Foundation's mailed solicitations were sent at a total cost of \$39,092, and that the vendors utilized were Steve Brown Direct Mail, Pinnacle Direct Mail, and Pinnacle List Company.
- 4.61 Ms. Dorn stated that the Foundation initially used an existing mailing list for its mailed solicitations, and that this list was obtained from Mr. Rossi.
- 4.62 Mr. Rossi stated that he has built and maintained a mailing list throughout his professional and political career, from his early experience in commercial real estate through his first unsuccessful legislative campaign in 1992 to subsequent campaigns for office, up to and including contributors to his 2004 gubernatorial campaign. He stated that the Foundation did not purchase this mailing list from his 2004 campaign committee, and that he has never purchased the mailing list from his campaign committee with personal funds. He stated that he considers the list his own.
- 4.63 Mr. Smith stated that as donations were received by the Foundation, he performed data entry to add the donors to the Foundation's mailing list.
- 4.64 Ms. Dorn stated that in addition to working from Mr. Rossi's preexisting list, the Foundation also utilized rented prospecting lists for its fundraising solicitations. She stated that the Foundation rented lists from different categories, to target recipients that they believed would be most receptive to their message.

- 4.65 Among the Foundation's records reviewed by PDC staff was an invoice from Pinnacle List Company dated March 30, 2007, billing the Foundation \$2,824 for rented prospecting lists. The donor lists identified in the invoice included "APIL Cadillac Conservatives," "APIL Republican Ritz," "Flag Waving Republicans," "Good as Gold Republican Donors," and "Eberle Masterfile L24 \$5+." PDC staff performed an Internet search regarding the last of these lists, "Eberle Masterfile L24 \$5+," and found a list broker offering this list, with the following description: *"These conservative donors have supported the rights of law enforcement officers, veterans rights and assistance, senior citizens rights and benefits, individual responsibility, decreased taxes and less government spending."* **(Exhibit 28)**
- 4.66 Mr. Rossi stated that the Foundation's intent in renting these prospecting lists was to target individuals receptive to their message of support for small and medium-sized business; he stated that they assumed that a more conservative audience would be more receptive to that message. He stated that he did not coordinate the mailed solicitations personally, but was aware at the time the fundraising occurred that the Foundation was prospecting among a partisan base. PDC staff asked Mr. Rossi whether the Foundation also prospected among specifically Democratic voters, Libertarian voters, or among more general pools of non-partisan donors. In response, Mr. Rossi stated that *"We were looking for people who would be responsive to a pro-business message, especially a pro-small and medium sized message, so that wouldn't have happened...Republicans tend to be more sympathetic to small and medium-sized business causes than Democrats do."*
- 4.67 In its public communications, the Foundation describes itself as a non-partisan foundation that welcomes the contributions of citizens of all political leanings. However, evidence demonstrated that the Foundation conducted its fundraising among an explicitly partisan base. This prospecting activity, together with the efforts of the Foundation's own staff, served to further develop the mailing list that Mr. Rossi has carried forward from campaign to campaign.
- 4.68 **Foundation Expenditures:** PDC staff's review of the Foundation's financial records included an inspection of invoices and a "checkbook ledger" in the form of a QuickBooks printout. Staff did not recreate the Foundation's expense records, but did note expenses that fell into the following categories: payroll and benefits; mailings; rent; miscellaneous office expenses; purchases of Mr. Rossi's memoir (for gifts to Foundation donors); travel expenses; and Web site development and maintenance. **(Exhibit 29)**

Mr. Rossi was compensated \$72,565 by the Foundation during the period covered by PDC staff's review.

Staff identified the following total expenses in the above categories:

Category	Total Expenses
Payroll and benefits	\$109,912
Mailings	\$39,092
Rent	\$9,771
Miscellaneous office expenses	\$7,564
Rossi book purchases	\$7,393
Travel expenses	\$6,955
Web development / maintenance	\$3,768
TOTAL	\$184,455

- 4.69 **Regulation of Non-profit Foundations in Other Jurisdictions:** In researching non-profit public policy foundations operating outside of Washington State, PDC staff examined the Center for Promise and Opportunity, a non-profit organization established by former US Senator John Edwards, and the Foundation for Florida's Future, an organization founded by Florida Governor Jeb Bush. To determine how the laws of other jurisdictions would apply to such entities, staff contacted Bob Baersack, press officer for the Federal Election Commission, and Patsy Rushing, clerk of the Florida Elections Commission.
- 4.70 Mr. Baersack stated that organizations such as John Edwards' Center for Promise and Opportunity were not currently regulated under federal election law. He stated that such organizations do not rise to the level of an exploratory committee, which is the lowest threshold of campaign activity requiring a candidate to register and report under federal election law. He stated that the Federal Election Commission had not investigated allegations of improper campaign activity by the Center for Promise and Opportunity.
- 4.71 Staff contacted Ms. Rushing to determine whether any investigations or enforcement involving the Foundation for Florida's Future had been conducted, and if so, what the outcome had been. Ms. Rushing stated that Governor Bush's foundation had never been subjected to any investigation or enforcement proceeding.
- 4.72 **Response to complaint on behalf of the Foundation and Mr. Rossi:** In addition to a review of Foundation records and statements taken from

current and former Foundation officials, on July 30, 2007, PDC staff received a response to the complaint from John White, legal counsel for the Foundation and Mr. Rossi. **(Exhibit 30)** In his response, Mr. White stated that during the period of activity discussed in the complaint, Mr. Rossi was not a candidate for governor, and had conveyed this repeatedly and publicly. He stated that filings for the 2008 election cycle were submitted only to facilitate Mr. Rossi's activities surrounding the 2004 election challenge, and had been submitted on the advice of PDC staff.

- 4.73 Mr. White stated that the Foundation's purpose was to make Washington a better place to live, work and do business, and that its operations have been fully consistent with its express purpose. He stated that Foundation staff members were told by PDC staff that they would incur a reporting requirement as a political committee only if they planned to support or oppose candidates or ballot propositions. He stated that the Foundation conducted its activities in reliance on PDC staff's advice. He stated that the allegations in the complaint were contrary to applicable law, and cited AGO 1973 No. 14, *State v. Dan Evans Committee*, and *Evergreen Freedom Foundation v. Washington Education Association*. He stated that the Foundation does not have electoral political activity as any of its purposes, and so falls far short of the "primary purpose" test outlined in case law.

V.

LAW

RCW 42.17.020(9) defines a "candidate" as any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:

- (a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;
- (b) Announces publicly or files for office;
- (c) Purchases commercial advertising space or broadcast time to promote his or her candidacy; or
- (d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

RCW 42.17.020(38) defines a "political committee" as any person (except a candidate or an individual dealing with his or her own funds or property) having

the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

RCW 42.17.040 requires every candidate to timely register with the Public Disclosure Commission.

RCW 42.17.080 and 090 require candidates to file timely, accurate reports of contributions and expenditures. The reports are filed monthly following an excess of \$200 in contribution or expenditure activity, except during the five months before the general 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 candidate will appear on the ballot. 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.

RCW 42.17.120 prohibits any contribution from being made, and any expense from being incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment.

RCW 42.17.640 limits contributions to candidates for state-wide office. For individuals, political committees, unions, corporations, and other non-individual entities, the limit is \$1,400 per election.

Respectfully submitted this 27th day of November, 2007.

T.P.

Tony Perkins
Political Finance Specialist

Kristin Murphy

Kristin Murphy
Political Finance Specialist

EXHIBIT LIST

- Exhibit 1** Complaint against Dino Rossi and the Forward Washington Foundation, received on June 27, 2007 from Dwight Pelz, chairman of the Washington State Democratic Party.
- Exhibit 2** Post-election C-4 summary report filed on December 10, 2004 by the Friends of Rossi 2004 committee for the period ending November 30, 2004, with Schedule B report of debts and obligations.
- Exhibit 3** C-4 summary report filed on January 10, 2005 by the Friends of Rossi 2004 committee for the period closing on December 31, 2004, with Schedule A report of monetary expenditures.
- Exhibit 4** C-1 Candidate Registration filed by Dino Rossi on December 13, 2004, registering a committee to raise funds during the 2008 election cycle.
- Exhibit 5** Initial C-4 summary report filed by Dino Rossi on January 11, 2005 for the period beginning December 1, 2004, with Schedule B report of debts and obligations.
- Exhibit 6** C-4 summary report filed by the Exempt Funds account of the Washington State Republican Party on January 9, 2006, with Schedule B report of in-kind contributions.
- Exhibit 7** C-4 summary report filed by Dino Rossi on February 1, 2006 for the period closing on January 31, 2006.
- Exhibit 8** Email communications from Mary Strow to PDC staff, sent between November 10, 2005 and June 15, 2006.
- Exhibit 9** Email communications from PDC staff to Mary Strow, sent on November 10, 2005 and May 4, 2006.
- Exhibit 10** Articles of Incorporation for the Forward Washington Foundation, filed by Mary Strow with the Washington Secretary of State on February 7, 2006.

- Exhibit 11** Forward Washington Foundation's bylaws, adopted on February 8, 2006 and certified by Mary Strow.
- Exhibit 12** The Forward Washington Foundation's application with the IRS for tax-exempt status under section 501(c)(4) of the tax code, filed by Mary Strow on May 2, 2006.
- Exhibit 13** Pages from the Web site of the Friends of Rossi 2004 campaign for governor.
- Exhibit 14** Page from the Web site of Forward Books, LLC.
- Exhibit 15** Pages from the Web site of the Forward Washington Foundation, including a business survey accessible through a link from the Foundation's Web site.
- Exhibit 16** "Essential Fiscal Reforms for 2007 and Beyond," an article from the Web site of the Forward Washington Foundation.
- Exhibit 17** Letter received on October 23, 2007 from John White, legal counsel to the Respondents.
- Exhibit 18** Page from the Web site of the Washington Idea Bank.
- Exhibit 19** Memo released on July 19, 2007 by the public opinion research firm Moore Information, detailing the results of polling that matched Governor Christine Gregoire against Dino Rossi in the 2008 gubernatorial election.
- Exhibit 20** Record of PDC informal telephone interview with Bob Moore on August 10, 2007.
- Exhibit 21** September 16, 2007 article by Neil Modie in the *Seattle Post-Intelligencer*: "Rossi Run for Governor? All signs point to yes."
- Exhibit 22** Draft minutes from Pierce County Republican Central Committee meeting of July 28, 2007, obtained from Deryl McCarty on September 20, 2007.
- Exhibit 23** Email from Deryl McCarty on October 23, 2007, confirming his statements in an informal telephone interview of the same day.

- Exhibit 24** Email from Marlyn Jensen on October 25, 2007, confirming her statements in an informal telephone interview of the previous day.
- Exhibit 25** Letter from Paul Bennecke of the Republican Governors' Association, received on November 2, 2007.
- Exhibit 26** PDC staff notes of Forward Washington Foundation deposit records, taken during an inspection of the Foundation's records in Kirkland on August 9, 2007.
- Exhibit 27** Copies of two Forward Washington Foundation fundraising solicitation letters.
- Exhibit 28** Page from Web site of fundraising list broker Nextmark Incorporated, detailing the list "Eberle Masterfile."
- Exhibit 29** PDC staff notes of Forward Washington Foundation expenditure records, taken during an inspection of the Foundation's records in Kirkland on August 9, 2007.
- Exhibit 30** Response to the complaint filed by Dwight Pelz against the Forward Washington Foundation and Dino Rossi, received from John White on July 30, 2007.


RECEIVED

Formal Complaint to the Washington State Public Disclosure Commission
Relating to an Elected Official or Candidate for Public Office

JUN 27 2007

Public Disclosure
Commission

Name of Official or Candidate: Dino Rossi, Forward Washington
Address of Official or Candidate: 14725 NE 20th St. #D-41
Official's or Candidate's Bellevue WA 98007
City State Zip Code
Official's or Candidate's Telephone: 425-644-7753
(Include Area Code)
Official's or Candidate's E-Mail Address: info@forwardwashington.org
(If known)

Your signature: 

Your printed name: DWIGHT FELZ

Street address: 615 2nd AVE

City, state and zip code: SEATTLE WA 98104

Telephone number: 206 583 0664

E-Mail Address: (Optional) Dwight@WA-DEMOCRATS.ORG

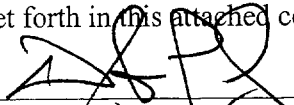
Date Signed: 6/25/07

Place Signed (City and County): SEATTLE KING
City County

Complaint: (Attach Complaint and Certification)

**Certification for a
Complaint to the Washington State Public Disclosure Commission Relating to an
Elected Official or Candidate for Public Office
(Notary Not Required)**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that the facts set forth in this attached complaint are true and correct.

Your signature: 

Your printed name: DWIGHT PELZ

Street address: 615 2ND AV RM 580

City, state and zip code: SEATTLE WA 98107

Telephone number: 206 853-5880

E-Mail Address: (Optional) _____

Date Signed: 6/25/07

Place Signed (City and County): SEATTLE KING
City County

*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."

COMPLAINT ATTACHED

BEFORE THE WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION

NO.

COMPLAINT RELATING TO
GUBERNATORIAL CANDIDATE
DINO ROSSI'S "FORWARD
WASHINGTON FOUNDATION"

I. INTRODUCTION

1. Dino Rossi is a declared candidate for Washington State's 2008 election for the office of Governor. As such, Mr. Rossi's campaign activities are governed by the state's open government and fair campaign practices statute, RCW 42.17. This complaint alleges that Mr. Rossi has deliberately evaded statutory contribution limits and disclosure requirements by funneling financial support to his gubernatorial campaign through a non-profit entity, the Forward Washington Foundation ("Forward Washington").

2. Although it purports to be a non-partisan "think tank," Forward Washington is nothing more than Mr. Rossi's unofficial campaign committee. As discussed further below, Forward Washington's primary purpose and activity is like that of any campaign committee: to solicit and spend contributions in support of a declared candidate for public office. In devising the artifice of Forward Washington, however, Mr. Rossi improperly evades campaign finance rules applicable to other campaign committees. Because Mr. Rossi's ploy cynically operates to defeat the public's interest in fair elections and in complete disclosure of election campaign finances, it violates RCW 42.17.

II. FACTS

A. Dino Rossi Becomes a Declared Candidate for Washington's 2008 Election for Governor

3. After Christine Gregoire was declared the winner over Mr. Rossi in the 2004 governor's election, on December 13, 2004, Mr. Rossi formed a new campaign committee, Dino Rossi for

Governor 2008 ("Rossi For Governor"). Mr. Rossi transferred employees, debts, and assets from his previous campaign committee to the new committee. In establishing Rossi For Governor, Mr. Rossi became a declared candidate under Washington law. *See* RCW 42.17.020(9).

4. Rossi for Governor thereafter began soliciting contributions and making expenditures in support of Mr. Rossi's candidacy. The campaign committee also filed regular PDC reports for well over a year, until February 2006, when the committee abruptly ceased filing PDC reports altogether. That month Rossi for Governor reported cash and in-kind contributions totaling \$326,079.69. The Rossi campaign has not filed a PDC report since February 2006. Mr. Rossi's campaign, thus, has either (a) not raised or spent *any* reportable contributions for nearly one-and-a-half years; or (b) has raised and spent such funds but has failed to report them.

B. "Rossi for Governor" Morphs Into "Forward Washington"

5. Despite the lack of publicly reported campaign activity since February 2006, Mr. Rossi's campaign has not been in hiatus; rather, Mr. Rossi's campaign has simply morphed into a new form: Forward Washington. Just five days after Rossi For Governor filed its last PDC report to date, on February 7, 2006, Mr. Rossi filed articles of incorporation for Forward Washington. *See* Attachment 1 (Articles of Incorporation; 501(a) Application). Forward Washington describes itself as a "non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of Washington state, its citizens and its economy." *See* www.ForwardWashington.org.

6. Mr. Rossi formed and staffed Forward Washington with former campaign operatives and supporters. These individuals included Mary Lane (former Policy and Communications Director for Dino Rossi 2004 and former Communications Director for Dino Rossi's 2004 Transition Team; Forward Washington's original agent and board member), Sarah Dorn (former campaign staff person for Dino Rossi for Governor 2004; Forward Washington's current agent and former executive director); Dan McDonald (former Budget Director for Dino Rossi's 2004 Transition Team; current Forward Washington board member) and; Lary Coppola (Building Industry Association of Washington State ("BIAW") State Director and major contributor to Dino Rossi for Governor 2004; current Forward Washington board member). *See* **Attachment 2**. Mr. Coppola's employer, the BIAW, has been an exceptionally strong supporter of Mr. Rossi's

gubernatorial election efforts. The BIAW contributed \$260,000 to Mr. Rossi's 2004 election revote effort, for example, and also provided additional in-kind contributions totaling \$378,000 in connection with the so-called "revote" effort and election contest litigation.

7. As president of Forward Washington, Mr. Rossi's role is functionally indistinguishable to that of a gubernatorial candidate. Mr. Rossi's role is, specifically, to "speak out and take positions on issues affecting state government. These will be issues that are or could be affected by the state legislature, Washington State Governor and/or regulators. . . ." *See* Attachment 1 (501(a) Application). The president and executive director are also responsible for meeting regularly with community leaders to discuss state policies. *Id.* Similarly, the core activities of Forward Washington are akin to those of a campaign for public office. Core activities include, specifically, "speeches, statements to the media, forums, seminars and panel discussions, research into state government issues, . . . communications to state residents, [and] occasional paid media advertising". *Id.*

8. The organization pays Mr. Rossi and the executive director over \$100,000 a year. *Id.* This includes Mr. Rossi's "part-time" salary of \$75,000 a year. *Id.* Forward Washington receives financial support from individual and organizational contributions. *Id.* Rather than raising money for Rossi for Governor, Mr. Rossi now spends his time actively soliciting contributions for Forward Washington. In a recent solicitation, for example, candidate Rossi encourages prospective contributors to say, "Yes, Dino", and send in a contribution, reminding them that "[b]ecause we are a non-partisan and non-profit 501(c)4, there is *no limit* to the amount individuals or corporations can contribute." *See* Attachment 3 (Forward Washington solicitation from Dino Rossi) (emphasis added).

9. Unlike Rossi for Governor, Mr. Rossi, as president of Forward Washington, has been busier than ever in promoting his declared candidacy as governor. The *Tacoma News Tribune* reported, for example, that Mr. Rossi in a recent speech to Republican Party activists "came close . . . to challenging Gov. Chris Gregoire to a rematch." The article notes that Rossi has been "keeping himself in the public eye, going around the state giving speeches and signing copies of his book --- *generally acting like a candidate.*" (Emphasis added.) Mr. Rossi is quoted as telling party activists, "I tell you what, if we did do this again, theoretically, we're going to need you and everyone you know. You and everyone you know." The article also quotes a Republican state

officeholder who praises how candidate Rossi has spent his time since his 2004 gubernatorial election defeat, saying, "[Rossi] did not stop, he did not disappear." See Attachment 4 (S. Cockerham, *Rossi Talks of New Try for Governor*, Tacoma News Tribune (May 20, 2007)).

C. In Violating Washington's Campaign Finance Laws, Candidate Rossi Evades Critical Election Safeguards

10. Mr. Rossi formed Forward Washington over one year after he became a declared gubernatorial candidate. Upon Forward Washington's formation, Mr. Rossi immediately stopped raising money for his campaign committee and began instead to solicit contributions for Forward Washington. Forward Washington pays Mr. Rossi and a staff person to travel the state, give speeches, and otherwise promote himself in a manner that is indistinguishable from a political campaign.

11. These circumstances demonstrate that Forward Washington's public policy-related mission is little more than a subterfuge that obscures the organization's primary purpose of supporting Mr. Rossi's candidacy for governor. If support of Mr. Rossi's candidacy represents even *one* of Forward Washington's purposes, which is undeniably the case, then Forward Washington qualifies as a political committee under state law. See Public Disclosure Commission Interpretation 07-02. Indeed, if the rule were otherwise, a vast loophole would be created in our State's public disclosure statute never before recognized, tolerated, or allowed.

12. Washington's campaign finance statute contains critical safeguards that protect the public's interest in fair and honest elections. These safeguards include:

- Contribution caps: Contributions from individuals (including from candidates themselves), corporations, PACs, state political parties and other entities may not exceed specified amounts within a particular election cycle. RCW 42.17.640
- Contribution timing restrictions: Contributions must generally be made within specified timelines. RCW 42.17.640. Last-minute contributions are restricted and/or subject to special disclosure requirements. RCW 42.17.105
- Out-of-state PAC contribution disclosures: Out-of-state PACs are subject to strict disclosure requirements regarding PAC contributors and expenditures. RCW

42.17.093

- Contribution and expenditure reports: Candidates and political committees must regularly report the contributions they receive and the expenditures they make. RCW 42.17.080, .090
- Public inspection of campaign books: Political committees must open their books to public inspection during specified periods. RCW 42.17.080
- Personal use of contributions: Candidates and other individuals may not convert contributions to their personal use except under specified circumstances. RCW 42.17.125
- PDC audits and field investigations: The Commission may conduct audits and field investigations to ensure compliance with campaign finance laws. RCW 42.17.365, .370(4).
- Access to the PDC: Citizens may file complaints with the Commission alleging violations of campaign finance laws. RCW 42.17.360(5)

13. Mr. Rossi's scheme enables him to skirt these safeguards and operates to frustrate the public interest at every turn:

- Contribution caps: Supporters of Mr. Rossi's candidacy, including past major contributors such as the Washington Republican Party and the BIAW, are currently free to contribute amounts of any size to Mr. Rossi through Forward Washington. BIAW contributed over a half million dollars to Mr. Rossi's post-election efforts alone in 2004.
- Contribution timing restrictions: Mr. Rossi and his supporters are not only free to contribute unlimited campaign sums through Forward Washington, but they may contribute without regard to election cycles and as close to the election as they wish. Nothing currently prevents Mr. Rossi or his supporters from making

massive last-minute contributions in order to secure the election.

- Out-of-state PAC contribution disclosures: Out-of-state PACs are currently free to funnel support to Mr. Rossi's campaign through Forward Washington without disclosing their identities, officers, contributors to the PAC, or the fact or amount of their expenditure on Mr. Rossi's behalf.
- Contribution and expenditure reports: Forward Washington is currently exempt from requirements to publicly disclose any contributions or expenditures they receive or make in support of Mr. Rossi's candidacy. The public accordingly lacks any way of knowing the full extent of contributions Mr. Rossi is receiving and/or an accounting of how Forward Washington is using those funds to support Mr. Rossi's candidacy.
- Public inspection of campaign books: Forward Washington is exempt from the requirement that it periodically make its books available for public inspection.
- PDC audits and field investigations: Forward Washington is not currently subject to periodic PDC audits or field investigations to evaluate and assure compliance with campaign finance rules.
- Access to PDC: Because it currently operates outside the statutory scheme, Forward Washington is not subject to citizen complaints.

14. Through the artifice of Forward Washington, Mr. Rossi seeks to avoid *all* of these statutory protections of our political system. The Commission cannot allow such a scheme to stand unchallenged. A decision not to act would leave a gaping loophole in the campaign finance statute and encourage candidates across the spectrum to engage in similar schemes to the detriment of the public policy that lies at the core of the Commission's mission with the 2008 election rapidly approaching, the Commission should take prompt investigative, and enforcement, action.

III. Conclusion

15. Mr. Rossi's failure to register and report Forward Washington as a political committee supporting his candidacy for governor violates RCW 42.17. The Commission should therefore prohibit Mr. Rossi from using Forward Washington any longer to evade legal contribution limits and disclosure requirements. The Commission specifically should require Mr. Rossi and Forward Washington to disclose: (1) All reportable contributions received from any source since February 2006, and; (2) All reportable expenditures made since February 2006, including Forward Washington's payments to Mr. Rossi.

The Commission should, in addition, require Mr. Rossi and Forward Washington to: (1) return any contribution that exceeds the legal limits; (2) disclose all future contributions and expenditures as required by law, and (3) return any contributions received from the Washington State Republican Party, or count them toward the party's contribution limit for the 2008 election. Finally, consistent with its long-standing enforcement policy, the Commission should consider appropriate penalties.

Dated: June 25, 2007



Dwight Pelz, Chair
Washington State Democratic Party

ATTACHMENTS

1. Forward Washington Foundation Initial Documents
 - A. Forward Washington Foundation Articles of Incorporation
 - B. IRS 1024 , Application for Recognition of Exemption Under Section 501(c)

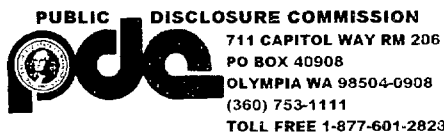
2. Staff Background Docs
 - A. Forward Washington Foundation Articles of Incorporation, Page 2
 - B. A. Garber and D. Postman, *Recount Rouses Donors, Spinners*. Seattle Times, (12/12/2004)
 - C. 'Forward Washington Foundation' Registration Detail, www.secstate.wa.gov 02/07/2006-02/28/2007
 - D. 'Forward Washington Foundation' Registration Detail, www.secstate.wa.gov 02/07/2006-02/29/2008
 - E. N. Modie, *What's a Former Candidate to Do? Event Dino Rossi Doesn't Know if He'll Run for Office Again*. The Seattle Post Intelligencer (03/12/2007)
 - F. www.forwardwashington.org 'About Us' page from early 2007
 - G. A. Garber, *Steep Cuts "Not a Scare Tactic," Locke Insists*. Seattle Times (12/17/2004)
 - H. www.forwardwashington.org 'About Us' page, as of 6/18/2007
 - I. Dino Rossi for Governor 2004 PDC C3 Report, 9/29/2004
 - J. Dino Rossi for Governor 2004 PDC C3 Report, 07/12/2004
 - K. Dino Rossi for Governor 2004 PDC C3 Report, 05/10/2004

3. Forward Washington Solicitation from Dino Rossi

4. S. Cockerham, *Rossi Talks of New Try for Governor*, Tacoma News Tribune (May 20, 2007)

Additional Attachments

- A. Dino Rossi for Governor 2008 PDC C1 Report, 12/13/2004
- B. Dino Rossi for Governor 2008 PDC C4 Report, 02/01/2006
- C. www.forwardwashington.org Main Page
- D. Elliot Swaney PDC L2 Report, 3/2006
- E. Elliot Swaney PDC L2 Report Amendment, 5/2005
- F. Elliot Swaney PDC L2, 9/2005



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

PDC OFFICE USE

C4

(3/97)

Candidate or Committee Name (Do not abbreviate. Include full name)
ROSSI DINO 12/10/2004

Address **8TH ST #715** BEDEVUE

Office Sought (Candidates) **GOVERNOR** Election Date **2004**

Report Period Covered	From (last C-4) 10/26/2004	To (end of period) 11/30/2004	Final Report? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

RECEIPTS	*See next page	Yes	No	X
1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	437,809.44		5,798,608.96	
2. Cash received (From line 2, Schedule A)	\$ 17,617.40			
3. In kind contributions received (From line 1, Schedule B)			455,426.84	
4. Total cash and in kind contributions received this period (Line 2 plus 3)	(0.00)			
5. Loan principal repayments made (From line 2, Schedule L)	+ 0.00			
6. Corrections (From line 1 or 3, Schedule C) Show + or (-)		+	0.00	
7. Net adjustments this period (Combine line 5 & 6) Show + or (-)			6,254,035.80	
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)	0.00			
9. Total pledge payments due (From line 2, Schedule B)				

EXPENDITURES			
10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)			5,675,868.02
11. Total cash expenditures (From line 4, Schedule A)	419,822.60		
12. In kind expenditures (goods & services) (From line 1, Schedule B)	17,617.40		
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)			437,440.00
14. Loan principal repayments made (From line 2, Schedule L)	(0.00)		
15. Corrections (From line 2 or 3, Schedule C) Show + or (-)	+ 0.00		
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-)		+	0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)			6,113,308.02

CANDIDATES ONLY	Name not on ballot	CASH SUMMARY	
Won	Lost	Unopposed	on ballot
Primary election <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasurer's Daytime Telephone No.: (425) 646-7202			
18. Cash on hand (Line 3 minus line 17)		140,727.78	
19. Liabilities: (Sum of loans and debts owed)		(263,289.33)	
20. Balance (Surplus or deficit) (Line 18 minus line 19)		-122,561.55	

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature DINO ROSSI	Date	Treasurer's Signature W. HOWARTH MEADOWCROFT	Date
--	------	--	------

#2
EXHIBIT
of 3

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

**SCHEDULE
TO C4**
B

(11/83)

Candidate or Committee Name (Do not abbreviate. Use full name.)

ROSSI DINO J

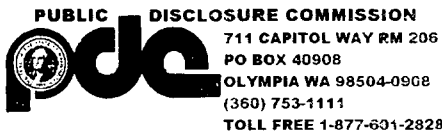
Report Date

12/10/2004

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

Expenditure Date	Vendor's/Recipient's Name and Address	Amount Owed	Code OR	Description of Obligation
11/15/2003	SWIFT AFTON V. 16203 NE TWELFTH ST BELLEVUE WA 98008	15,000.00		VICTORY BONUS -- CONTI NGENT
11/30/2004	SWIFT AFTON V. 16203 NE TWELFTH ST BELLEVUE WA 98008	1,125.00	W	
11/30/2004	EASTSIDE COMMERCIAL BANK 3080 -- 148TH AVE SE BELLEVUE WA 98007	15,503.88	G	
11/30/2004	T-MOBILE PO BOX 37380 ALBUQUERQUE NM 871767380	474.06	G	
12/15/2003	BOWMAN CASEY 19241 SE 45TH PL ISSAQUAH WA 98027	5,000.00		VICTORY BONUS -- CONTI NGENT
12/31/2003	CLADDAGH ASSOCIATES PO BOX 50521 BELLEVUE WA 98015	10,000.00		VICTORY BONUS -- CONTI NGENT
02/01/2004	DAVIDSON AMILYN 1131 -- 62ND ST SE UNIT A AUBURN WA 98092	5,000.00		VICTORY BONUS -- CONTI NGENT
11/30/2004	QWEST PO BOX 12480 SEATTLE WA 981114480	1,311.39	G	
01/31/2004	LEE LAURA O. 16203 NE TWELFTH ST BELLEVUE WA 98008	5,000.00		VICTORY BONUS -- CONTI NGENT
02/11/2004	JET AIR HOLDINGS INC PO BOX 1717 BELLEVUE WA 98009	2,700.00	T	
04/15/2004	SWANSON THOMAS 1459 VISTA DR SE PUYALLUP WA 98372	5,000.00		VICTORY BONUS -- CONTI NGENT
04/30/2004	LANE MARY 6312 CALIFORNIA AVE SW #214 SEATTLE WA 98136	5,000.00		VICTORY BONUS -- CONTI NGENT
TOTAL (Include in line 19 of C4)		263,289.33		

#2
2 EXHIBIT 3
of 3



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4
(3/97)
PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name) **ROSSI DINO J** 01/10/2005

Mailing Address **1001 EAST 38TH STREET NO. 715** **BEVUE**

2004 Office Sought (Candidates) **GOVERNOR** Election Date **2004**

Report Period Covered	From (last C-4) 12/01/2004	To (end of period) 12/31/2004	Final Report? X
			Yes No

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

*See next page Yes No **X**

RECEIPTS		Yes	No	X
1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	0.00		6,254,035.80	
2. Cash received (From line 2, Schedule A)	\$ 0.00			
3. In kind contributions received (From line 1, Schedule B)			0.00	
4. Total cash and in kind contributions received this period (Line 2 plus 3)	(0.00)			
5. Loan principal repayments made (From line 2, Schedule L)	+ 0.00			
6. Corrections (From line 1 or 3, Schedule C) Show + or (-)		+	0.00	
7. Net adjustments this period (Combine line 5 & 6) Show + or (-)			6,254,035.80	
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)	0.00			
9. Total pledge payments due (From line 2, Schedule B)				

EXPENDITURES		Yes	No	X
10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)			6,113,308.02	
11. Total cash expenditures (From line 4, Schedule A)	140,727.78			
12. In kind expenditures (goods & services) (From line 1, Schedule B)			0.00	
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)			140,727.78	
14. Loan principal repayments made (From line 2, Schedule L)	(0.00)			
15. Corrections (From line 2 or 3, Schedule C) Show + or (-)	+ 0.00			
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-)		+	0.00	
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)			6,254,035.80	

CANDIDATES ONLY				CASH SUMMARY	
Won	Lost	Unopposed	Name not on ballot		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. Cash on hand (Line 8 minus line 17) (Line 18 should equal your bank account balance(s) plus your petty cash balance.)	(0.00)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Liabilities: (Sum of loans and debts owed)	
Treasurer's Daytime Telephone No.: (425) 646-7202				20. Balance (Surplus or deficit) (Line 18 minus line 19)	0.00

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature **DINO ROSSI** Date _____ Treasurer's Signature **W. HOWARTH MEDOWCRAFT** Date _____

EXHIBIT #3
1 of 6

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A
(11/93)

100114406

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

ROSSI DINO J

01/10/2005

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits

2. TOTAL CASH RECEIPTS Enter also on line 2 of C4 \$ 0.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE
DEFINITIONS
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)
I - Independent Expenditures
L - Literature, Brochures, Printing
B - Broadcast Advertising (Radio, TV)
N - Newspaper and Periodical Advertising
O - Other Advertising (yard signs, buttons, etc.)
V - Voter Signature Gathering

P - Postage, Mailing Permits
S - Surveys and Polls
F - Fundraising Event Expenses
T - Travel, Accommodations, Meals
M - Management/Consulting Services
W - Wages, Salaries, Benefits
G - General Operation and Overhead

3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below.
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/31/2004	EXPENSES OF \$50 OR LESS			\$ 644.87
12/02/2004	SWIFT AFTON V. 16203 NE TWELFTH ST BELLEVUE WA 98008	W		1,707.24
12/17/2004	UNITED STATES POSTAL SERVICE POSTMASTER BELLEVUE WA 980089998	P	PAID ECB VISA	555.00
12/17/2004	UNITED STATES POSTAL SERVICE POSTMASTER BELLEVUE WA 980089998	P	PAID ECB VISA	370.00
12/02/2004	EASTSIDE COMMERCIAL BANK 3080 -- 148TH AVE SE BELLEVUE WA 98007	G		769.32
12/02/2004	PAYCHEX 500 NACHES AVE SW RENTON WA 98055	W		1,902.54
12/03/2004	PAYCHEX 500 NACHES AVE SW RENTON WA 98055	W		226.68

Total from attached pages \$ 134,552.13

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 140,727.78

2 EXHIBIT #3
of 6

EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 1

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

ROSSI DINO, J

01/10/2005

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/10/2004	PAYCHEX 500 NACHES AVE SW RENTON WA 98055	G		\$ 84.52
12/16/2004	PAYCHEX 500 NACHES AVE SW RENTON WA 98055	W		2,152.11
12/17/2004	T-MOBILE PO BOX 37380 ALBUQUERQUE NM 871767380	G		173.75
12/17/2004	T-MOBILE PO BOX 37380 ALBUQUERQUE NM 871767380	G		474.06
12/17/2004	CLADDAGH ASSOCIATES PO BOX 50521 BELLEVUE WA 98015	M		3,625.00
12/17/2004	CLADDAGH ASSOCIATES PO BOX 50521 BELLEVUE WA 98015	M		1,250.00
12/17/2004	QWEST PO BOX 12480 SEATTLE WA 981114480	G		1,311.39
12/17/2004	OFFICE DEPOT 100 108TH AVE SE BELLEVUE WA 98004	G	PAID ECB VISA	89.66
12/17/2004	OFFICE DEPOT 100 108TH AVE SE BELLEVUE WA 98004	G	PAID ECB VISA	162.46
12/17/2004	CHEVRON 11919 SE 56TH ST BELLEVUE WA 98006	T	PAID ECB VISA	59.01
12/16/2004	LEE LAURA O. 16203 NE TWELFTH ST BELLEVUE WA 98008	W		804.75
12/17/2004	SILVER CLOUD VALET NORTHWEST 3901 STONE WAY N STE 100 SEATTLE WA 98103	F		440.31

Page Total \$ 10,627.02

#3
3 EXHIBIT
of 6

EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

ROSSI DINO J

01/10/2005

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/17/2004	REPUBLIC PARKING	T	PAID ECB VISA	\$ 475.00
12/02/2004	LANE MARY 6312 CALIFORNIA AVE SW #214 SEATTLE WA 98136	W		1,638.52
12/17/2004	MARCUS WHITMAN HOTEL 6 W ROSE ST WALLA WALLA WA 99362	T	PAID ECB VISA	66.18
12/17/2004	MARCUS WHITMAN HOTEL 6 W ROSE ST WALLA WALLA WA 99362	T	PAID ECB VISA	66.18
12/17/2004	MARCUS WHITMAN HOTEL 6 W ROSE ST WALLA WALLA WA 99362	T	PAID ECB VISA	66.18
12/17/2004	MARCUS WHITMAN HOTEL 6 W ROSE ST WALLA WALLA WA 99362	T	PAID ECB VISA	66.18
12/17/2004	MARCUS WHITMAN HOTEL 6 W ROSE ST WALLA WALLA WA 99362	T	PAID ECB VISA	66.18
12/17/2004	LARRY'S MARKET	T	PAID ECB VISA	102.31
12/02/2004	SMITH BRIAN C. 1415 217TH AVE SE SAMMAMISH WA 98075	W		843.50
12/16/2004	SMITH BRIAN C. 1415 217TH AVE SE SAMMAMISH WA 98075	W		650.12
12/02/2004	DORN SARAH 11715 NE 67TH PL KIRKLAND WA 98033	W		1,114.37
12/17/2004	ANTHONY'S RESTAURANTS PO BOX 3805 BELLEVUE WA 980093805	T	PAID ECB VISA	118.64

Page Total \$ 5,273.36

4 EXHIBIT #3
of 6

EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

ROSSI DINO J

01/10/2005

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/17/2004	ZACH MARQUESS 1427 SLEEPY HOLLOW WENATCHEE WA 98801	G	REIMBURSEMENT	\$ 106.36
12/02/2004	JENSEN CHRISTINE 9421 NE 40TH ST BELLEVUE WA 98004	W		226.68
12/17/2004	FLORENTINE DESIGN GROUP PO BOX 1675 BOTHELL WA 98041	O		1,169.00
12/17/2004	JR MAILING SERVICES 2120 -- 116TH AVE NE #3 BELLEVUE WA 980043048	L	PAID ECB VISA	4,827.60
12/01/2004	DAVID THOMPSON 5817--111TH AVE NE KIRKLAND WA 98033	O		537.00
12/17/2004	JAMES J. MARYEA	L		14,012.67
12/17/2004	EVERETT SPECIAL EVENTS CENTRE 2000 HEWITT AVE EVERETT WA 98201	F	PAID ECB VISA	924.05
12/17/2004	EVERETT SPECIAL EVENTS CENTRE 2000 HEWITT AVE EVERETT WA 98201	F	PAID ECB VISA	675.00
12/17/2004	SPOKANE AVIATION SERVICES SPOKANE WA 99201	T	PAID ECB VISA	2,962.03
12/17/2004	SPOKANE AVIATION SERVICES SPOKANE WA 99201	T	PAID ECB VISA	3,190.00
12/17/2004	BLUECOSMO COMMUNICATIONS SEATTLE WA 98116	G	PAID ECB VISA	117.00
12/17/2004	RAMADA INN SPOKANE 8909 AIRPORT RD SPOKANE WA 99201	T	PAID ECB VISA	62.77

Page Total: \$ 28,810.16

5 EXHIBIT #3
of 6



Candidate Registration

C1
(6/01)

DATE FILED PDC
DEC 13 2004

Candidate's Name (Give candidate's full name.) DINO J ROSSI		Telephone Numbers (425) 646-7202
Candidate's Committee Name (Do not abbreviate.) ROSSI FOR GOVERNOR 2008		()
Mailing Address 15100 SE 38TH ST #715		Fax Number (425) 646-7207
City BELLEVUE	County KING	E-Mail Address INFO@DINOROSSI.COM
Zip + 4 98006-1765		

1. What office are you running for? **GOVERNOR** Legislative District, County or City _____ Position No. _____ Do you now hold this office? Yes No

2. Political party (if partisan office) **REPUBLICAN** 3. Date of general or special election **11-04-2008**

4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.

Option I **MINI REPORTING**: In addition to my filing fee of \$_____, I will raise and spend no more than \$3,500, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$300 in the aggregate from any contributor except myself.

Option II **FULL REPORTING**: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.

5. Treasurer's Name and Address. Candidate may be treasurer. List deputy treasurers on attached sheet. Continued on attached sheet Daytime Telephone Number
W. HOWARTH MEADOWCROFT - 1145 BROADWAY PLAZA, STE 1500
TACOMA WA 98402 **(425) 646-7202**

6. Committee Officers. List name, title and address. Continue on attached sheet if necessary. See reverse for definition of "officer." Continued on attached sheet

7. Campaign Bank or Depository
EASTSIDE COMMERCIAL BANK Branch _____ City **BELLEVUE**

8. Related or Affiliated Political Committees. List name, address and relationship.

9. Campaign books must be open to the public, except on a weekend or legal holiday, during the eight days before the election: (a) on the eighth day for two consecutive hours between 8 a.m. and 8 p.m.; if the eighth day is a legal holiday - two consecutive hours on the seventh day between 8 a.m. and 8 p.m.; and (b) on the other weekdays, by appointment between 8 a.m. and 8 p.m. Specify location and hours below. It is not acceptable to provide a post office box or an out-of-area address.

Street Address, Room Number, City **330-112TH NE STE 301, BELLEVUE WA 98004** Hours [Two consecutive hours, see 9(a)] **2-4 PM**

In order to make an appointment, contact the campaign at (telephone, fax, e-mail): ()

10. CERTIFICATION:
 I certify that this report is true, complete and correct to the best of my knowledge
 Candidate's Signature Date **12-8-2004**

Please advise us about which forms and instructions you need. Remember, candidates must file a Financial Affairs Statement (F-1) unless a current one is already on file with PDC. Check all boxes that apply.

I already have financial affairs and campaign disclosure forms and instructions.

I am using Mini Reporting and, therefore, do not need the other campaign disclosure forms. In addition, I have already filed my Financial Affairs Statement and need no additional F-1 forms.

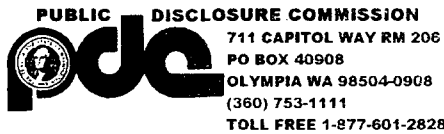
I will obtain all forms and instructions from my county elections office.

I want PDC to mail me. the F-1 instruction booklet (which includes forms) the appropriate campaign disclosure forms and instructions.

Distribution of This Report:
 ORIGINAL - Public Disclosure Commission
 COPY - County Elections Office (Auditor)
 COPY - Your own records
 (Note: City candidates contact City Clerk to see if local filing is required.)

SEE INSTRUCTIONS ON NEXT PAGE

EXHIBIT #4
 of 1



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

PDC OFFICE USE

C4

(3/97)

Candidate or Committee Name (Do not abbreviate. Include full name)
ROSSI DINO 01/11/2005

Mailing Address **8TH ST #715** **BELLEVUE**

2004 **GOVERNOR** Office Sought (Candidates) 2008 Election Date

Report Period Covered	From (last C-4) 12/01/2004	To (end of period) 12/31/2004	Final Report? <input checked="" type="checkbox"/> X
			Yes No

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

RECEIPTS	* See next page	Yes	No	X
1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	114,290.50			89,778.82
2. Cash received (From line 2, Schedule A)	\$ 0.00			
3. In kind contributions received (From line 1, Schedule B)				114,290.50
4. Total cash and in kind contributions received this period (Line 2 plus 3)	(0.00)			
5. Loan principal repayments made (From line 2, Schedule L)	+ 0.00			
6. Corrections (From line 1 or 3, Schedule C)	Show + or (-)	+		0.00
7. Net adjustments this period (Combine line 5 & 6)	Show + or (-)			204,069.32
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)	0.00			
9. Total pledge payments due (From line 2, Schedule B)				

EXPENDITURES	Amount	Total
10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)		0.00
11. Total cash expenditures (From line 4, Schedule A)	4,749.82	
12. In kind expenditures (goods & services) (From line 1, Schedule B)	0.00	
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)		4,749.82
14. Loan principal repayments made (From line 2, Schedule L)	(0.00)	
15. Corrections (From line 2 or 3, Schedule C)	+ 0.00	
16. Net adjustments this period (Combine lines 14 & 15)	Show + or (-)	+
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)		4,749.82

CANDIDATES ONLY	Name not on ballot	CASH SUMMARY	
Won	Lost	Unopposed	on ballot
Primary election <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasurer's Daytime Telephone No.: (425) 646-7202			
18. Cash on hand (Line 8 minus line 17)		199,319.50	
19. Liabilities: (Sum of loans and debts owed)		(243,200.00)	
20. Balance (Surplus or deficit) (Line 18 minus line 19)		-43,880.50	

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature DINO ROSSI	Date
Treasurer's Signature W. HOWARTH MEADOWCROFT	Date

#5
EXHIBIT 3
of 3

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE TO C4

B

(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)

ROSSI DINO J

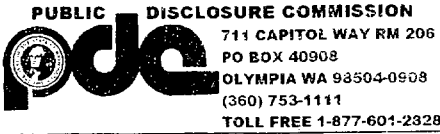
Report Date

01/11/2005

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

Expenditure Date	Vendor's/Recipient's Name and Address	Amount Owed	Code OR	Description of Obligation
11/15/2003	SWIFT AFTON V. 16203 NE TWELFTH ST BELLEVUE WA 98008	15,000.00		VICTORY BONUS -- CONTI NGENT
12/15/2003	BOWMAN CASEY 19241 SE 45TH PL ISSAQUAH WA 98027	5,000.00		VICTORY BONUS -- CONTI NGENT
12/31/2003	CLADDAGH ASSOCIATES PO BOX 50521 BELLEVUE WA 98015	10,000.00		VICTORY BONUS -- CONTI NGENT
02/01/2004	DAVIDSON AMILYN 1131 -- 62ND ST SE UNIT A AUBURN WA 98092	5,000.00		VICTORY BONUS -- CONTI NGENT
01/31/2004	LEE LAURA O. 16203 NE TWELFTH ST BELLEVUE WA 98008	5,000.00		VICTORY BONUS -- CONTI NGENT
02/11/2004	JET AIR HOLDINGS INC PO BOX 1717 BELLEVUE WA 98009	2,700.00	T	
04/15/2004	SWANSON THOMAS 1459 VISTA DR SE PUYALLUP WA 98372	5,000.00		VICTORY BONUS -- CONTI NGENT
04/30/2004	LANE MARY 6312 CALIFORNIA AVE SW #214 SEATTLE WA 98136	5,000.00		VICTORY BONUS -- CONTI NGENT
05/30/2004	SMITH BRIAN C. 1415 217TH AVE SE SAMMAMISH WA 98075	5,000.00		VICTORY BONUS -- CONTI NGENT
12/30/2004	SMITH BRIAN C. 1415 217TH AVE SE SAMMAMISH WA 98075	500.00	W.	
05/15/2004	GOFF THOMAS 17755 -- 134TH LN SE RENTON WA 98058	5,000.00		VICTORY BONUS -- CONTI NGENT
05/30/2004	DORN SARAH 11715 NE 67TH PL KIRKLAND WA 98033	5,000.00		VICTORY BONUS -- CONTI NGENT
TOTAL (Include in line 19 of C4)		243,200.00		

#5
2 EXHIBIT 3
of 3



**SUMMARY, FULL REPORT
RECEIPTS AND
EXPENDITURES**

C4 (3/97)	PDC OFFICE USE
	01/09/2006

Candidate or Committee Name (Do not abbreviate. Include full name)
WA STATE REPUBLICAN PARTY EXEMPT

14100 ~~14100~~ **ACROSS** CENTER PKWY STE 200 **SEATTLE**

96188
 2p 188

Office Sought (Candidates) **2005** Election Date

Report Period From (last C-4) **12/01/2005** To (end of period) **12/31/2005** Final Report? **X**
 Covered Yes No

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

*See next page Yes No **X**

RECEIPTS

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	259,557.68	1,385,947.95
2. Cash received (From line 2, Schedule A)	\$ 140,000.00	
3. In kind contributions received (From line 1, Schedule B)		399,557.68
4. Total cash and in kind contributions received this period (Line 2 plus 3)	(100,000.00)	
5. Loan principal repayments made (From line 2, Schedule L)	+ 0.00	
6. Corrections (From line 1 or 3, Schedule C) Show + or (-)		-100,000.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-)		1,685,505.63
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)	0.00	
9. Total pledge payments due (From line 2, Schedule B)		

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)	330,464.65	1,308,946.78
11. Total cash expenditures (From line 4, Schedule A)	140,000.00	
12. In kind expenditures (goods & services) (From line 1, Schedule B)		470,464.65
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)	(0.00)	
14. Loan principal repayments made (From line 2, Schedule L)	+ 0.00	
15. Corrections (From line 2 or 3, Schedule C) Show + or (-)		+ 0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-)		1,779,411.43
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)		-93,905.80

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CASH SUMMARY

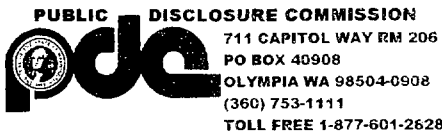
18. Cash on hand (Line 8 minus line 17) [Line 18 should equal your bank account balance(s) plus your petty cash balance]	(621,603.94)
19. Liabilities: (Sum of loans and debts owed)	
20. Balance (Surplus or deficit) (Line 18 minus line 19)	-715,509.74

Treasurer's Daytime Telephone No.:

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date	Treasurer's Signature BING MAYTON	Date
-----------------------	------	---	------

#6
EXHIBIT
 1 of 2



SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4 <small>(3/97)</small>	PDC OFFICE USE
	02/01/2006

Candidate or Committee Name (Do not abbreviate. Include full name): **ROSSI DINO J**

Office Sought (Candidates): **GOVERNOR** Election Date: **2008**

Mailing Address: **8TH ST #715** City: **BEAVERVUE**

2006	GOVERNOR (Candidates)	2008	Election Date	*For PACs, Parties & Caucus Committees: During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?
Report Period Covered	From (last C-4)	To (end of period)	Final Report? <input checked="" type="checkbox"/> X	
	01/01/2006	01/31/2006	Yes No	

RECEIPTS	Yes	No	X
1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)			325,340.05
2. Cash received (From line 2, Schedule A)	\$	739.64	
3. In kind contributions received (From line 1, Schedule B)			739.64
4. Total cash and in kind contributions received this period (Line 2 plus 3)	(0.00)
5. Loan principal repayments made (From line 2, Schedule L)	+	0.00	
6. Corrections (From line 1 or 3, Schedule C)	Show + or (-)		0.00
7. Net adjustments this period (Combine line 5 & 6)	Show + or (-)		326,079.69
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)			0.00
9. Total pledge payments due (From line 2, Schedule B)			

EXPENDITURES	Yes	No	X
10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)			320,448.21
11. Total cash expenditures (From line 4, Schedule A)		5,631.48	
12. In kind expenditures (goods & services) (From line 1, Schedule B)		0.00	
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)			5,631.48
14. Loan principal repayments made (From line 2, Schedule L)	(0.00)
15. Corrections (From line 2 or 3, Schedule C)	Show + or (-)		0.00
16. Net adjustments this period (Combine lines 14 & 15)	Show + or (-)		326,079.69
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)			0.00

CANDIDATES ONLY Won Lost Unopposed Name not on ballot Primary election <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> General election <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Treasurer's Daytime Telephone No.: (425) 646-7202	CASH SUMMARY 18. Cash on hand (Line 8 minus line 17)	0.00
	19. Liabilities: (Sum of loans and debts owed)	(0.00)
	20. Balance (Surplus or deficit) (Line 18 minus line 19)	0.00

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature: **DINO ROSSI** Date: _____

Treasurer's Signature: **W. HOWARTH MEADOWCROFT** Date: _____

#7
EXHIBIT
1 of 1

Kurt Young

From: Mary Lane [marylane@comcast.net]
Sent: Thursday, November 10, 2005 1:15 PM
To: Kurt Young
Subject: 501(c)4s

Hi Kurt:

Does the PDC require 501(c)4s -- social welfare organizations/issue advocacy groups -- in Washington to disclose donations?

Thank you,
Mary Lane
marylane@comcast.net

#8
EXHIBIT
1 of 7

Kurt Young

From: Mary Lane [mary@dinatorossi.com]
Sent: Tuesday, February 14, 2006 2:18 PM
To: Kurt Young
Subject: PDC guidelines for reporting donations

Kurt:

A couple of months ago I spoke with you on the phone about the organization Dino Rossi & I are forming (the Forward Washington Foundation). We've filed Articles of Incorporation with the Secretary of State and will soon be filing an application for 501(c)4 status with the IRS. I wanted to once again go over PDC guidelines for reporting donations just to make sure I've got everything correct. We're hoping to keep paperwork to a minimum.

Here is my understanding of what the foundation can and cannot do in order to comply with PDC guidelines for not being required to report individual donations:

- We can speak out on state issues (issues affecting the legislature, governor and/or state agencies) and state our opinions on those issues.
- We can speak out and state our opinions on specific pieces of legislation.
- We can propose ideas for new legislation.
- We can propose ideas for new state policies.
- We can criticize current state policies.
- We can encourage the public to support or oppose legislation and existing or proposed state policies.
- In encouraging the public to support or oppose legislation and existing or proposed state policies, we can pay for grassroots lobbying mailings (for which we would be required to file a Grassroots Lobbying report with the PDC).

QUESTION: Could we also pay for grassroots lobbying radio & TV ads?

- We cannot lobby members of the legislature, or any state government official.
- We cannot engage in any kind of political campaigning -- i.e., for candidates, initiatives or referenda.

Could you let me know about the TV and radio ads question? Also, am I correct on all of these points? I just want to make sure before me move ahead and start seeking donations.

Thanks very much,
Mary Lane
mary@dinatorossi.com
(206) 354-2115

2 EXHIBIT #8
of 7

Kurt Young

From: Mary Lane [mary@dinatorossi.com]
Sent: Wednesday, April 26, 2006 1:41 PM
To: Kurt Young
Subject: question

hi kurt:

i have mailed in the application for our foundation, the forward washington foundation, to receive 501(c)(4) status. also we have just received our first contributions. we haven't conducted any official foundation activity yet -- we're still in the fundraising phase. what, if any, paperwork do i have to file with the pdc?

thanks,
mary

3 EXHIBIT #8
of 7

Kurt Young

From: Mary Lane [mary@dinatorossi.com]

Sent: Thursday, May 04, 2006 4:47 PM

To: Kurt Young

Subject: foundation

Hi Kurt:

Sorry to bug you again -- now that we are starting to get some donations to our foundation, the Forward Washington Foundation, I wanted to check with you about any paperwork we must submit.

We spoke a couple months ago and I just wanted to confirm that we aren't required to disclose all our individual donors. Is that correct?

Also please let me know what other reports we should be filing. As of yet we haven't conducted any public activities -- we're in the process of fundraising and getting our office set up.

Thanks!

-Mary Lane
Office of Dino Rossi
mary@dinatorossi.com

4 EXHIBIT #8
of 7

Kurt Young

From: Mary Lane [mary@dinatorossi.com]
Sent: Thursday, May 04, 2006 6:23 PM
To: Kurt Young
Subject: RE: foundation

Hi Kurt:

No, we won't be involved in candidate political campaigns or ballot proposition campaigns. Eventually we plan on doing grassroots lobbying activities, such as urging the public to support or oppose a certain state policy idea or piece of legislation through speeches & other public statements, mailers, possibly radio ads, and e-mail updates. For our fundraising we are getting donations for the overall operation of the foundation, not for any specific project. Once we do start undertaking grassroots lobbying efforts, would we have to report every person who has donated to the foundation? Or would we simply file a grassroots lobbying report indicating that the foundation had spent x amount of dollars on a specific grassroots lobbying effort?

Also, under what circumstances -- if any -- would we have to report individual donations?

Thanks much,
Mary

From: Kurt Young [mailto:kyoung@pdc.wa.gov]
Sent: Thursday, May 04, 2006 6:04 PM
To: mary@dinatorossi.com
Subject: RE: foundation

Mary,

Refresh my memory, were the funds solicited or donated to Forward Washington Foundation going to be used to support or oppose candidates or ballot propositions? If yes, then there would be some PAC filing requirements. If no, would the foundation be using any of those funds to lobby (either directly or indirectly-grassroots lobbying). If yes to that, then there may be some lobbying reports to file.

If nothing is planned for either of those activities, there would be no filing requirements with the PDC. I know your just getting started, so if something changes with the foundations plans, let me know and we can discuss whether that would trigger any filing requirements.

Sincerely,

Kurt Young
Compliance Officer

From: Mary Lane [mailto:mary@dinatorossi.com]
Sent: Thursday, May 04, 2006 4:47 PM
To: Kurt Young
Subject: foundation

Hi Kurt:

Sorry to bug you again -- now that we are starting to get some donations to our foundation, the Forward Washington Foundation, I wanted to check with you about any paperwork we must submit.

We spoke a couple months ago and I just wanted to confirm that we aren't required to disclose all our individual donors. Is that correct?

5 EXHIBIT #8
of 7

Also please let me know what other reports we should be filing. As of yet we haven't conducted any public activities -- we're in the process of fundraising and getting our office set up.

Thanks!

-Mary Lane
Office of Dino Rossi
mary@dinorossi.com

EXHIBIT #8
6 of 7

Kurt Young

From: Mary Lane [mary@forwardwashington.org]
Sent: Thursday, June 15, 2006 2:07 PM
To: Kurt Young
Subject: FYI on Forward Washington Foundation

Hi Kurt:

Just wanted to let you know in case you read the recent stories about the Forward Washington Foundation (the 501(c)(4) organization Dino and I are starting) -- it was incorrectly reported that we will be lobbying legislators. We won't be doing that. As we spoke about several months ago, the only lobbying the Foundation plans on doing is grassroots lobbying.

Thanks,
Mary

Mary Lane
Executive Director, Forward Washington Foundation
office: (425) 644-7753
mobile: (206) 354-2115
mary@forwardwashington.org

7 EXHIBIT #8
of 7

Kurt Young

From: Phil Stutzman
Sent: Thursday, November 10, 2005 2:03 PM
To: Mary Lane
Cc: Kurt Young
Subject: RE: 501(c)4s

Mary,

We do not look at a group's tax status with the Internal Revenue Service to determine whether they are required to register and report with the Public Disclosure Commission. Rather, we look at each entity in light of the definition of a "political committee." Essentially, that means that: 1) if an entity solicits contributions for the purpose of making contributions or expenditures that support or oppose candidates or ballot propositions; or 2) if one of the primary purposes of the entity (even if using only existing funds) is to support or oppose candidates or ballot propositions, then the group is a political committee with reporting requirements. If you want to discuss this further, feel free to contact our office. Kurt Young, Compliance Officer, would be happy to assist you. His number is (360) 664-8854.

Phil Stutzman
Director of Compliance
(360) 664-8853

From: Mary Lane [mailto:marylane@comcast.net]
Sent: Thursday, November 10, 2005 1:18 PM
To: Phil Stutzman
Subject: 501(c)4s

Phil:

Does the PDC require 501(c)4s -- social welfare organizations/ issue advocacy groups -- in Washington to disclose donors/donations?

Thank you,
Mary Lane
marylane@comcast.net

#9
EXHIBIT
1 of 2

Kurt Young

From: Kurt Young
Sent: Thursday, May 04, 2006 6:09 PM
To: 'mary@dinorossi.com'
Subject: RE: foundation

Mary,

Refresh my memory, were the funds solicited or donated to Forward Washington Foundation going to be used to support or oppose candidates or ballot propositions? If yes, then there would be some PAC filing requirements. If no, would the foundation be using any of those funds to lobby (either directly or indirectly-grassroots lobbying). If yes to that, then there may be some lobbying reports to file.

If nothing is planned for either of those activities, there would be no filing requirements with the PDC. I know your just getting started, so if something changes with the foundations plans, let me know and we can discuss whether that would trigger any filing requirements.

Sincerely,

Kurt Young
Compliance Officer

From: Mary Lane [mailto:mary@dinorossi.com]
Sent: Thursday, May 04, 2006 4:47 PM
To: Kurt Young
Subject: foundation

Hi Kurt:

Sorry to bug you again -- now that we are starting to get some donations to our foundation, the Forward Washington Foundation, I wanted to check with you about any paperwork we must submit.

We spoke a couple months ago and I just wanted to confirm that we aren't required to disclose all our individual donors. Is that correct?

Also please let me know what other reports we should be filing. As of yet we haven't conducted any public activities -- we're in the process of fundraising and getting our office set up.

Thanks!

-Mary Lane
Office of Dino Rossi
mary@dinorossi.com

#9
EXHIBIT
2 of 2

6/27/2007

602 582 559

FILED
SECRETARY OF STATE
SAM REED
FEB 7, 2006
STATE OF WASHINGTON

**ARTICLES OF INCORPORATION
OF
FORWARD WASHINGTON FOUNDATION**

The undersigned, acting as the incorporator of a nonprofit corporation under the provisions of the Washington Nonprofit Corporation Act (RCW 24.03) adopts the following Articles of Incorporation:

ARTICLE I - NAME

The name of this corporation is: FORWARD WASHINGTON FOUNDATION.

ARTICLE II - DURATION

The period of its duration is perpetual.

ARTICLE III - PURPOSES

The corporation is organized exclusively for the promotion of social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as may be amended from time to time (the "Code"), including but not limited to being dedicated to improving the welfare of the people of Washington state, and making Washington a better place to live, work and do business.

ARTICLE IV - PROHIBITED ACTIVITY

Notwithstanding any of the provisions of these Articles of Incorporation, the corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(4) of the Code. No part of the net earnings of the corporation shall inure to the benefit of any director, officer or private individual. The net earnings shall be devoted exclusively to [charitable and educational] purposes. The corporation shall not have or issue shares of stock, shall not make any disbursement of income to its directors or officers, and shall not make loans to its officers or directors.

ARTICLE V - BYLAWS

Provisions for the regulation of the internal affairs of the corporation shall be set forth in the bylaws of the corporation.

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FORWARD WASHINGTON FOUNDATION

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ARTICLE V - BYLAWS

Provisions for the regulation of the internal affairs of the corporation shall be set forth in the bylaws of the corporation.

ARTICLE VI - REGISTERED AGENT AND OFFICE

The name and address of the initial registered agent and initial registered office of the office of the corporation is:

Registered Agent: Mary Lane

Registered Office: 14400 Bel-Red Road, Suite 108
Bellevue, Washington 98007

ARTICLE VII - INITIAL DIRECTORS

The initial board of directors shall consist of three (3) directors. The names and addresses of the persons who are to serve as initial directors are:

Dino Rossi 24632 SE 2nd Place
Sammamish, Washington 98074

Mary Lane 6312 California Avenue SW, #214
Seattle, Washington 98136

Dan McDonald 4650 - 92nd NE
Bellevue, Washington 98004

ARTICLE VIII - DISTRIBUTIONS UPON DISSOLUTION

No director, trustee or officer of the corporation, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the corporation or the winding up of its affairs. Upon dissolution or winding up of the corporation, after paying or making adequate provision for payment all of the liabilities, all remaining assets of the corporation shall be distributed by the board of directors to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable or educational purposes or for the promotion of social welfare, and which at that time qualifies for tax exempt status under either Section 501(c)(3) or Section 501(c)(4) of the Code. Any assets not so disposed of shall be disposed of by the Superior Court of King County, Washington (or by a court of competent jurisdiction of the county in which the principal office of the corporation is then located), exclusively for such purposes, or to such organization or organizations as such court shall determine to be organized and operated exclusively for such purposes.

ARTICLE IX - LIMITATION OF DIRECTOR LIABILITY

Except to the extent otherwise required by applicable law (as it exists on the date of the adoption of this Article or may be amended from time to time), a director of the corporation shall not be personally liable to the corporation for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which

involve intentional misconduct by the director or a knowing violation of law by the director, or (ii) for any transaction from which the director personally receives a benefit in money, property or services to which the director is not legally entitled.

No amendment to or repeal of this Article shall adversely affect any right of protection of any director of the corporation occurring after the date of the adoption of this Article and prior to such amendment or repeal.

ARTICLE X - INDEMNIFICATION

The corporation shall indemnify any director or officer of the corporation, who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the corporation, to the full extent allowed by applicable law, as presently in effect and as hereafter amended; provided, however, that the corporation shall only indemnify a director or officer seeking indemnification in connection with a proceeding initiated by such person if such proceeding or part of a proceeding was authorized by the Board of Directors or if such proceeding was brought by a director or officer to enforce a claim for indemnification under this Article and a court or an arbitrator determines that the director or officer is entitled to all of the relief claimed.

By means of a resolution or of a contract specifically approved by the Board of Directors, the corporation may indemnify an employee or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the corporation.

The Board of Directors of the corporation shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense.

Reasonable expenses incurred by a director or officer, who is involved in any capacity in a proceeding by reason of the position held in the corporation, shall be advanced by the corporation to the full extent allowed by applicable law, as presently in effect and as hereafter amended. Reasonable expenses incurred by an employee or agent who is involved in any capacity in a proceeding by reason of the position held by such person or entity in the corporation may be, but is not required to be, advanced by the corporation prior to the final disposition of such proceeding to the full extent allowed by applicable law, as presently in effect and as hereafter amended. Expenses shall not be advanced to any director, officer, employee or agent unless that person first promises in a writing delivered to the corporation to repay all amounts advanced by the corporation in the event that it is later determined that such person is not entitled to be so indemnified.

The corporation may purchase and maintain insurance on behalf of any person who is a director, officer, employee, or agent of the corporation or is serving at the request or consent of the corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any

liability incurred by such person because of such person's status, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article. In addition, the corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including without limitation a letter of credit) to ensure the payment of such amounts as may be necessary or desirable to effect the indemnification and advances contemplated in this Article.

The right to indemnification conferred by this Article shall be interpreted to conform with, and shall not create any right that is inconsistent with, applicable law, as presently in effect and as hereafter amended. To the full extent allowed by applicable law (as presently in effect and as hereafter amended), the right to indemnification conferred by this Article shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights conferred in this Article shall not be exclusive of any other rights which any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), these Articles of Incorporation, the bylaws of the corporation, a vote of the Board of Directors of the corporation, or otherwise.

If the Washington Nonprofit Corporation Act is amended to expand or increase the power of the corporation to indemnify, to pay expenses in advance of final disposition, to enter into contracts, or to expand or increase any similar or related power, then, without any further requirement of action by the directors of this corporation, the powers described in this Article shall be expanded and increased to the fullest extent permitted by law.

Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the opinion of counsel payment of such indemnification would cause the corporation to lose its tax exempt status, if any, from federal income taxation.

No amendment to or repeal of this Article shall adversely affect any right of protection of any director, officer, employee or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

ARTICLE XI - INCORPORATOR

The incorporator is Mary Lane and her address is Forward Washington Foundation, 14400 Bel-Red Road, Suite 108, Bellevue, Washington 98007.

DATED this 3rd day of February, 2006.

INCORPORATOR:

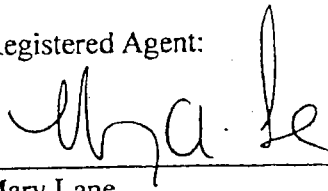
Mary Lane

CONSENT TO SERVE AS REGISTERED AGENT

Mary Lane, (the "Registered Agent") hereby consents to serve as Registered Agent in the State of Washington for FORWARD WASHINGTON FOUNDATION. The Registered Agent confirms that the Registered Agent will be responsible to accept service of process on behalf of the Foundation; to forward mail to the Foundation; and to immediately notify the office of the Secretary of State if the Registered Agent resigns or changes the registered office address.

DATED this 3rd day of February, 2006.

Registered Agent:



Mary Lane

Address of Registered Agent:

14400 Bel-Red Road, Suite 108
Bellevue, Washington 98007

BYLAWS
OF
FORWARD WASHINGTON FOUNDATION

Effective: February 8, 2006

BYLAWS
OF
FORWARD WASHINGTON FOUNDATION

ARTICLE I

Membership

The corporation shall have no members.

ARTICLE II

Board of Directors

Section 1. Powers and Qualifications. The affairs of the corporation shall be managed by the board of directors.

Section 2. Number and Term. The number of directors of the corporation shall be two (2) The board of directors, by amendment of these Bylaws, may increase or decrease the number of directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent. Upon the first annual election of directors, the directors shall be divided into three (3) classes, the first class to serve a term of one (1) year, the second to serve a term of two (2) years, and the third to serve a term of three (3) years thereafter. Each such director shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified. The term of office of a class of director after those elected at the first annual meeting shall be three (3) years.

Section 3. Executive Committee. The board of directors, by resolution adopted by a majority of the directors in office, may designate and appoint an executive committee. Such a committee shall consist of two (2) or more directors and shall have and exercise such authority of the board of directors in the management of the corporation as may be specified in said resolution. However, no such committee shall have the authority of the board of directors to amend, alter or repeal the Bylaws; elect appoint or remove any member of any such committee or any director or officer of the corporation; amend the Articles of Incorporation; adopt a plan of merger or adopt a plan of consolidation with another corporation; authorize the voluntary dissolution of the corporation or revoke proceedings therefor; adopt a plan for the distribution of the assets of the corporation not in the ordinary course of business; or amend, alter or repeal any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation of authority to it shall not operate to relieve the board of directors or any individual director of any responsibility imposed upon it, him or her by law.

Section 4. Election. After the first annual meeting, the member or members of one class of directors shall be elected at each annual meeting, to hold office until the expiration of the term of office of the class of directors into which elected, and until his, her or their respective successors are elected and qualified.

Section 5. Vacancies. The board of directors shall have power to fill any vacancy occurring in the board and any directorship to be filled by reason of an increase in the number of directors by amendment to these Bylaws. Any director elected to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

ARTICLE III

Meetings of Board of Directors

Section 1. Annual Meetings. The annual meeting of the board of directors for election of directors to succeed those whose terms expire, and for the transaction of such other business as may properly come before the meeting, shall be held each year at the registered office of the corporation, on October 4, at 9 a.m., but in case such date shall be a legal holiday, the meeting shall be held at the same hour and place on the next succeeding day not a holiday.

Section 2. Special Meetings. Special meetings of the board of directors may be held at any place and time, whenever called by the president, secretary, or any two director[s].

Section 3. Notice of Meetings. Notice of the time and place of any special meeting of the board of directors shall be given by the secretary, or by the director or directors calling the meeting, by mail, telegram, or by personal communication over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the board of directors need be specified in the notice or any waiver of notice of such meeting.

Section 4. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business. The act of the majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. At any meeting of the board of directors at which a quorum is present, any business may be transacted, and the board may exercise all of its powers. A director who is present at such a meeting shall be presumed to have assented to the action taken at that meeting unless the director's dissent or abstention is entered in the minutes of the meeting or the director files his or her written dissent or abstention to such action with either the person acting as secretary of the meeting before the adjournment of the meeting or by registered mail to the secretary of the corporation immediately after the adjournment of the meeting.

Section 5. Meetings Held by Telephone or Similar Communications Equipment. Members of the board of directors or its committees may participate in a meeting of the board or such committees by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

ARTICLE IV

Actions by Written Consent

Any corporate action required or permitted by the Articles of Incorporation or Bylaws, or by the laws of the State of Washington, to be taken at a meeting of the board of directors (or its committees) of the corporation, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be described as such.

ARTICLE V

Waiver of Notice

Whenever any notice is required to be given to any director of the corporation by the Articles of Incorporation or Bylaws, or by the laws of the State of Washington, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE VI

Officers

Section 1. Officers Enumerated. The officers of the corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary by the board of directors, each of whom shall be annually elected by the board of directors, and shall serve until their successors are duly elected and qualified. Any two or more offices may be held by the same person, except the offices of president and secretary. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the board of directors may prescribe.

Section 2. President. The president must be a director of the corporation. The president shall exercise the usual executive powers pertaining to the office of president. He or she shall preside at meetings of the board of directors and committees exercising any authority of the board.

Section 3. Vice President. In the absence or disability of the president, the vice president shall act as president.

Section 4. Secretary. It shall be the duty of the secretary to keep records of the proceedings of the board of directors and when requested by the president to do so, to sign and execute with the president all deeds, bonds, contracts, and other obligations or instruments, in the name of the corporation, to keep the corporate seal, and to affix the same to proper documents.

Section 5. Treasurer. The treasurer shall have the care and custody of and be responsible for all funds and investments of the corporation and shall cause to be kept regular books of account. The treasurer shall cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be designated by the board of directors, and in general, shall perform all of the duties incident to the office of treasurer.

Section 6. Vacancies. Vacancies in any office arising from any cause may be filled by the board of directors at any regular or special meeting.

Section 7. Salaries. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 8. Removal. Any officer elected or appointed may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby.

ARTICLE VII

Administrative and Financial Provisions

Section 1. Fiscal Year. The last day of the fiscal year of the corporation shall be December 31, 2006.

Section 2. Loans Prohibited. No loans shall be made by the corporation to any officer or to any director.

Section 3. Corporate Seal. The board of directors may provide for a corporate seal which shall have inscribed thereon the name of the corporation, the year and state of incorporation and the words "corporate seal."

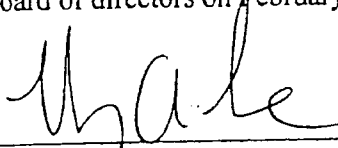
Section 4. Books and Records. The corporation shall keep at its registered office, its principal office in this state, or at its secretary's office if in this state, the following: current articles and bylaws; correct and adequate records of accounts and finances; a record of officers' and directors' names and addresses; minutes of the meetings of the board and any minutes which may be maintained by committees of the board. Records may be written or electronic if capable of being converted to writing. All books and records of the corporation may be inspected by any director, or his or her agent or attorney, for any proper purpose at any reasonable time.

Section 5. Amendment of Bylaws. These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the board of directors at any annual or special meeting of the board.

Section 6. Rules of Procedure. The rules of procedure at meetings of the board of directors of the corporation shall be the rules contained in Roberts' Rules of Order on Parliamentary Procedure, newly revised, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation or with any resolution of the board of directors.

CERTIFICATION

Mary Lane, being Secretary of Forward Washington Foundation, hereby certifies that the foregoing Bylaws were duly adopted by the board of directors on February 8, 2006.



Mary Lane, Secretary

Application for Recognition of Exemption Under Section 501(a)

OMB No. 1545-0057

If exempt status is approved,
this application will be open
for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**
If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.
Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.) Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule D, page 11)
- g Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

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1a Full name of organization (as shown in organizing document) Forward Washington Foundation		2 Employer identification number (EIN) (if none, see Specific Instructions on page 2) 20 : 4028966
1b c/o Name (if applicable) Mary Lane		3 Name and telephone number of person to be contacted if additional information is needed Mary Lane (206) 354-2115
1c Address (number and street) 14400 Bel-Red Road	Room/Suite 108	
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2. Belle vue, WA 98007		5 Date incorporated or formed Feb. 7, 2006 (filed w/ secretary WA of state)
1e Web site address (don't have it set up yet)	4 Month the annual accounting period ends December	

- 6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? Yes No
If "Yes," attach an explanation.
- 7 Has the organization filed Federal income tax returns or exempt organization information returns? Yes No
If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare, under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

PLEASE SIGN HERE

Mary A. Lane
(Signature)

Mary A. Lane
(Type or print name and title of signer)

4.24.06
(Date)

For Paperwork Reduction Act Notice, see page 5 of the instructions.

Cal. No. 12343K

EXHIBIT #12
1 of 7

Part II. Activities and Operational Information (Must be completed by all applicants)

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

(please see attached.)

- 2 List the organization's present and future sources of financial support, beginning with the largest source first.

The foundation's future sources of financial support will be ~~from~~ individual and organization donations. We have not yet collected any donations. So far we have received a \$2,500 contribution from an individual donor.

Part II

1.

President and occasionally Executive Director will speak out and take positions on issues affecting state government. These will be issues that are or could be affected by the state legislature, Washington State governor and/or regulators in Washington state, and that deal with the welfare of Washington citizens (e.g., business climate, state budget, health care, education, programs for the poor and the vulnerable, state parks, tax policy, state government, transportation and so on).

Activity on the part of the foundation will take the form of speeches, statements to the media, forums, seminars and panel discussions, research into state government issues, mail and e-mail communications to state residents, occasional paid media advertising and communication via the foundation web site. The purpose of these activities will be to convey the foundation's positions and ideas for improving state government policies and the welfare of Washington citizens. The President and occasionally the Executive Director will serve as spokesperson for the foundation when speaking on issues. Activities will be statewide.

Most of the foundation's time (approximately 75%) will be spent on these activities related to communicating and researching on state government issues.

The President and Executive Director will also meet regularly with community leaders (in the fields of business, non-profits, member associations, social services, etc.), to discuss state policies. The purpose of these contacts will be to share ideas and formulate new ideas on state-level issues.

The remainder of the foundation's time (approximately 25%) will be spent on these meetings with community leaders and on daily office administration.

The foundation will not engage in political campaign activities.

The foundation will not be for-profit. Donations will be solicited solely to support the operations of the foundation.

Part II. Activities and Operational Information (continued)

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? Yes No
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? . Yes No
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? Yes No
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? Yes No
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? Yes No
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property? Yes No
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

See attached

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? . . Yes No
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? Yes No
If "Yes," attach a recent copy of each.

Not yet, but we will in the future.

Part III. Financial Data (Must be completed by all applicants)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	May From To Apr Dec	(b) 2007	(c) 2008	(d)	
1 Gross dues and assessments of members	200,000	375,000	375,000		
2 Gross contributions, gifts, etc.					
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)					
4 Gross amounts from unrelated business activities (attach schedule)					
5 Gain from sale of assets, excluding inventory items (attach schedule)					
6 Investment income (see page 3 of the instructions)					
7 Other revenue (attach schedule).	200,000	375,000	375,000		
8 Total revenue (add lines 1 through 7)					
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes.	50,000	100,000	100,000		
10 Expenses attributable to unrelated business activities					
11 Contributions, gifts, grants, and similar amounts paid (attach schedule).					
12 Disbursements to or for the benefit of members (attach schedule)	93,750	125,000	125,000		
13 Compensation of officers, directors, and trustees (attach schedule)	40,000	140,000	140,000		
14 Other salaries and wages.					
15 Interest	9,900	9,900	9,900		
16 Occupancy					
17 Depreciation and depletion					
18 Other expenses (attach schedule)					
19 Total expenses (add lines 9 through 18)	193,650	374,900	374,900		
20 Excess of revenue over expenses (line 8 minus line 19)	6,350	100	100		

B. Balance Sheet (at the end of the period shown)

(We have not received our information yet)

		Current Tax Year as of April 24 2006
Assets		
1 Cash		92,500
2 Accounts receivable, net		0
3 Inventories		0
4 Bonds and notes receivable (attach schedule)		0
5 Corporate stocks (attach schedule).		0
6 Mortgage loans (attach schedule)		0
7 Other investments (attach schedule)		0
8 Depreciable and depletable assets (attach schedule)		0
9 Land		0
10 Other assets (attach schedule)		0
11 Total assets		
Liabilities		
12 Accounts payable		0
13 Contributions, gifts, grants, etc., payable		0
14 Mortgages and notes payable (attach schedule)		0
15 Other liabilities (attach schedule)		0
16 Total liabilities.		0
Fund Balances or Net Assets		
17 Total fund balances or net assets		0
18 Total liabilities and fund balances or net assets (add line 16 and line 17)		0

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation.

Schedule B Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

- 1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . . Yes No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

- 2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? . . . Yes No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

- 3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? . . . Yes No

If "Yes," explain.

- 4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A

Part III. A. 13.

Officers compensation schedule:

<i>Officer</i>	<i>Yearly compensation</i>
Dino Rossi, President (part-time)	\$75,000
Mary Lane, Executive Director (full-time)	\$50,000

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My name is Dino Rossi, and I am running for governor because I believe Washington state needs new leadership and a fresh start.

On our web site you'll find information about who I am, what I've done in the past as your [State Senator](#) and what I want to accomplish as Governor. From now until Election Day, I will work hard to earn your vote.

Thank you,

Dino Rossi
DINO ROSSI



Read Dino's plan to get Washington moving in the right direction!

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Watch Dino's new TV ads!

Dino talks about his family and background, and what he wants to accomplish for the people of Washington



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Recent Campaign News	Date / Source
Gregoire using phoney tobacco \$\$ numbers	Press Release, 9/24/04
"Rossi begins to define himself"	Seattle Times, 9/20/04
Gregoire can't take the heat	Seattle Post-Intelligencer, 9/18/04
"Rossi rolls out themes of GOP campaign"	Seattle Times, 9/17/04

Press Release,

<u>Dino wins primary!</u>	9/15/2004
<u>Dino & Ron Sims debate!</u>	King 5, 9/7/04
<u>Dino rolls out education agenda!</u>	Issues, 9/01/2004
<u>Audio Endorsements for Dino!</u>	Media Center, 9/7/04
<u>"Patience and pragmatism" - A Tacoma News Tribune profile of Dino!</u>	Tacoma News Tribune, 8/26/04
<u>"Rossi wows crowd at candidate forum"</u>	Skagit Valley Herald, 8/26/04
<u>Listen to Dino's new radio ad! "New leadership for Washington"</u>	Media Center, 8/25/04
<u>Rossi leads in Elway poll</u>	Press Release, Aug. 4, 2004
<u>High costs drive more Boeing jobs out of state; 7E7 supplier looks elsewhere</u>	Seattle Times, 7/22/04
<u>Law enforcement group endorses Rossi for governor</u>	Tuesday, July 13, 2004
<u>Rossi tops \$470,000 raised in June</u>	Thursday, July 1, 2004

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Plan for Washington



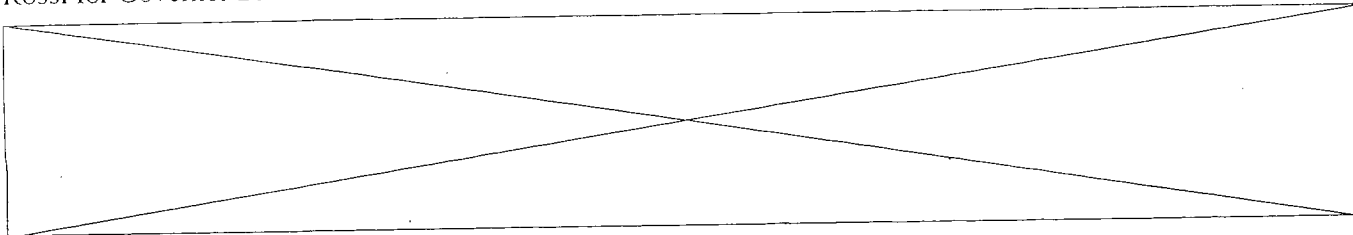
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Forward Washington REFORM ONE:

Make it easier for businesses to grow and hire workers in Washington state by creating an administration that seeks to serve, that eliminates duplicative regulations, that reduces its costs and frees monies to invest in areas of need without making matters worse by raising taxes.

Forward Washington REFORM TWO:

Help create jobs and make health care more available for families and communities by inviting health care providers to come back to Washington state with health care plans that are flexible, affordable and tailored to the desires of consumers.

Forward Washington REFORM THREE:

Stop driving health care providers out of the state by protecting them from bad lawsuits.

Forward Washington REFORM FOUR:

Reform education by sticking to standards, rewarding our best teachers, and fostering an environment for learning by giving teachers the ability to control their classrooms.

Forward Washington REFORM FIVE:

End the game-playing with programs that reach and protect our most vulnerable citizens.

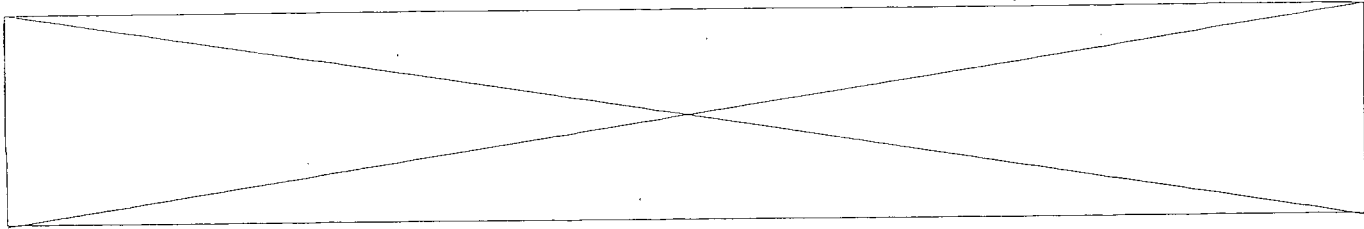
Forward Washington REFORM SIX:

Restore our parks system and bring back one of the most special parts of living in Washington state.

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Forward Washington REFORM ONE:

Make it easier for businesses to grow and hire workers in Washington state by creating an administration that seeks to serve, that eliminates duplicative regulations, that reduces its costs and frees monies to invest in areas of need without making matters worse by raising taxes.

Hard Facts:

- The latest unemployment figures show that while the national economy is recovering, Washington lost about 6,800 jobs in August-- and the unemployment rate inched up to 6.2 percent.
- Washington business people and their employees have seen a nearly 40 percent increase in the cost of their workers' compensation premiums.
- Washington's automatic minimum wage hikes cost the state 30,000 jobs between 1998 and 2001-- impacting our economy even before the 9/11 recession hit. Our law has increased unemployment by 22.5 percent and expanded poverty by 32.7 percent.
- The business climate doesn't just affect large businesses -- it affects the small- and medium-sized businesses that create 80 percent of the jobs in this state.
- In today's economy, two-thirds of new small businesses are started by women-- and our own state government stands in the way of their dreams of success.

Real people:

- Darlene Johnson, CEO and owner of Woodland Trucking in Southwest Washington, says "I'd rather work every day with the Internal Revenue Service than with a state agency: The IRS will help you recover from your debt, but state agencies are totally unforgiving and have no compassion for business owners."
"When our warehouse burned down, we received \$250,000 to rebuild, but \$100,000 of that had to go toward fulfilling state regulations," she says.
"We could build a new warehouse with parking right next to a rail line to help our business grow and hire more employees but we simply can't because we don't have the time to complete and wait for the permits."
- Don Weippert is an orchardist from Yakima, who has faced two years of double-digit workers' compensation increases. He also has to pay some of the highest unemployment insurance rates in the nation. These high labor costs cut into his profitability and hurt his ability to do business. He's seen dozens of other orchardists forced out of the business due to increased costs and he knows it's time for a change.

Concrete solutions:

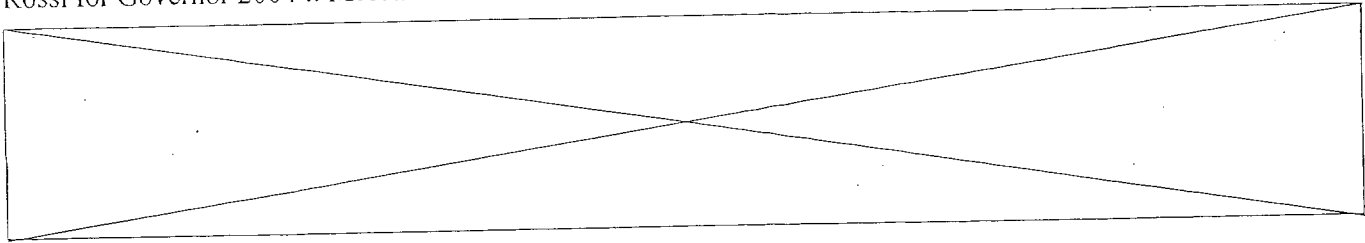
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- My first week in office, I'll establish the Governor's Office of Regulatory Reform to streamline, and reduce, the regulations that hurt businesses and job growth-- without compromising worker health and safety and without harming the environment.
- I am targeting a minimum 5 percent reduction in regulations in the first year. My office will look for regulations that duplicate and contradict each other, and for ones that are just plain unnecessary. They'll be removed or streamlined.
- I won't support any increase in general taxes.

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forward: WASHINGTON

Forward Washington REFORM TWO:

Help create jobs and make health care more available for families and communities by inviting health care providers to come back to Washington state with health care plans that are flexible, affordable and tailored to the desires of consumers.

Hard Facts:

- A recent poll of small business owners who belong to the National Federation of Independent Business (NFIB) found 65 percent of all members provided health care benefits to all their employees in 1993; only 47 percent do now-and the number is dropping.
- Nationwide, in 2003, 53 percent of all workers at small firms were covered by company insurance. This year, that number dropped by three percentage points so only about half are now covered.
- While 90 percent of small businesses would like to provide health care benefits for their employees, cost is the number one reason businesses don't.
- A dozen years ago, consumers had more than 20 insurance companies to choose from today, there are only three.

Real people:

- Chuck Mott owns the commercial-cleaning business Innovac in Seattle. Many of Chuck's employees have been with the company for 10 or 15 years-and for the first time in all those years he has to ask them to help pay for their health insurance premiums. "They've made a commitment to me and I feel like I need to make a commitment to them, but it's a struggle," he says. "We can't continue to offer all these things and still be viable."

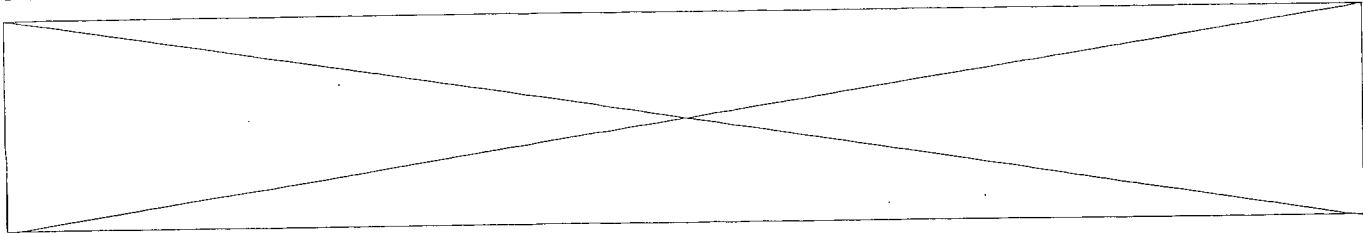
Concrete solutions:

- Continue work on small group insurance reform so workers and their employers can purchase affordable plans that cover the health care services they really need.

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forward: WASHINGTON

Forward Washington REFORM THREE:

Stop driving health care providers out of the state by protecting them from bad lawsuits.

Hard Facts:

- Since 1998, there has been a 31 percent increase in the number of doctors moving out of state.
- A full 45 percent of physicians have reduced or eliminated high-risk services to avoid unaffordable liability insurance increases.
- An estimated 2000 patients per physician are displaced and must find a new caregiver when a physician leaves his or her practice.
- The American Medical Association has called Washington one of 19 states in crisis.
- In a recent poll, 70 percent of people polled say they support meaningful liability reform that includes caps on non-economic damages.

Real people:

- Dr. Amy Occhino is an OB/GYN in the Tri-Cities. She says, "My malpractice insurance has gone up more than 300 percent in the past two years, and that dramatic increase has occurred without a single claim against me." She also says, "It is getting increasingly difficult to serve this community as a doctor because of fear, and because of the expense. The fear is that lawsuits can hit at anytime for any reason, and the increasing financial burden of malpractice insurance make the practice of medicine less and less feasible."

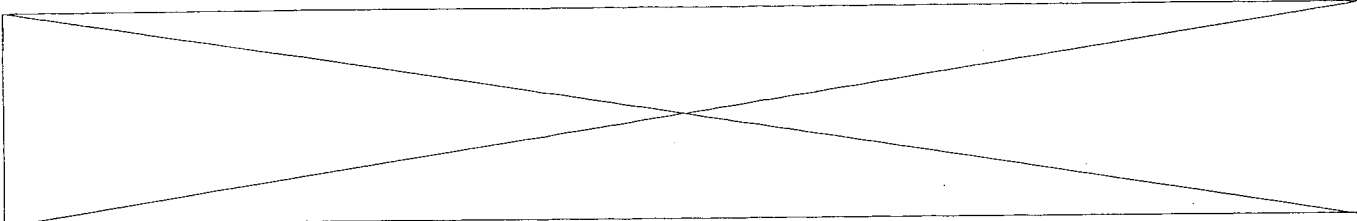
Concrete solutions:

- I'll propose legislation to change our state law to protect those rare patients who are injured while also protecting good doctors and nurses from frivolous lawsuits. These reforms will lower the cost of insurance for medical professionals and keep them practicing in our state, so patients everywhere in Washington have access to doctors.

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forward: WASHINGTON

Forward Washington REFORM FOUR:

Reform education by sticking to standards, rewarding our best teachers, and fostering an environment for learning by giving teachers the ability to control their classrooms.

Hard Facts:

- A new report out this week says that more than one-third of all public high school students don't graduate from high school within four years. Even more troubling, there's an "achievement gap" with minority students. African-American, Latino, and Native American students graduate at much lower levels than the average rate.
- After a series of lawsuits and legal decisions in the late 1970s and early 1980s, state education funding formulas and the definition of "basic education" became rigid and inflexible. Many of the funding formulas are at least 20 years old and haven't been updated or changed.

Real people:

- Scott Carlon teaches at Rogers High School in Spokane. He says his school feels the pinch of budget shortfalls and he thinks my reforms, coupled with priority-based budgeting, could help provide more funding for important school programs like after-school and summer sports to help build student health and self-esteem. Mr. Carlon teaches business and computer classes at Rogers, including an English as a Second Language keyboarding class. He also supports more flexibility with the WASL.

Concrete solutions:

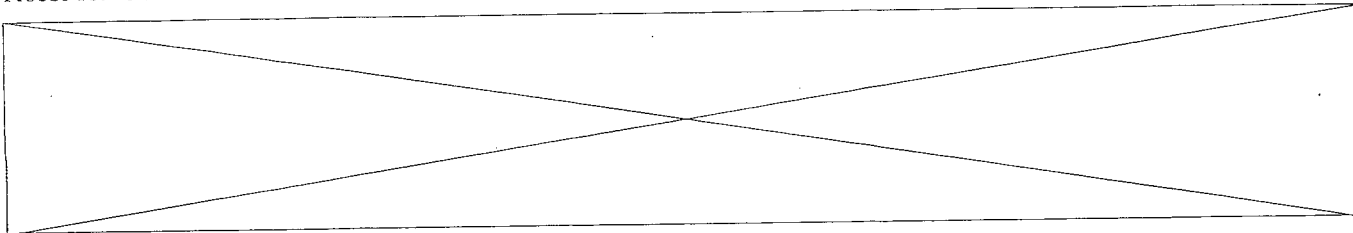
- I will explore ways to help the WASL achieve our goal to help all children be better prepared upon graduating from high school. I will not support any efforts to lower expectations.
- I will support giving school districts more flexibility and control at the local level. Whenever possible, we need to let the districts make the decisions.
- To create a better system for compensating our teachers, I want to our reform our antiquated teacher salary structure. Instead of being based on tenure, teacher pay should be based on a teacher's skills and achievements. There's no reason an excellent teacher in our state shouldn't be making \$100,000 a year. But that's impossible with our current system.
- Next, we all know that most teachers are hard-working, dedicated, and committed to the education of our students. There aren't many failing teachers. But there are a few. A failing teacher endangers the future of his or her students. I want to reform state law so local school districts can remove those failing teachers.

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- Third, we need to give teachers and principals at the local level greater authority to remove trouble-making students from the classroom-without fear of lawsuits.
- Once these reforms are in place, I'll push for a state constitutional amendment to guarantee, at a minimum, yearly inflationary increases for K-12 spending. This doesn't mean that K-12 would only get the bare minimum every year--this amendment would make sure K-12 funding never gets cut.

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Forward Washington REFORM FIVE:

End the game-playing with programs that reach and protect our most vulnerable citizens.

Hard Facts:

- In his 2003 proposed budget, Governor Locke proposed deep cuts in services for some of our state's most vulnerable citizens.
- The Rossi budget found savings elsewhere so we could support the needs of persons with developmental disabilities.
- He restored funding for adult vision and dental programs-and made sure reductions in the number of people on the state-funded Basic Health Plan were achieved by rooting out fraud, not by blanket cuts.

Real people:

- Dan Thompson is a Microsoft employee with developmental disabilities. With the help of "supported employment," Dan has been working for Microsoft for 10 years, and he's really making a difference. But programs like "supported employment" get caught in the budget tug-of-war year after year.

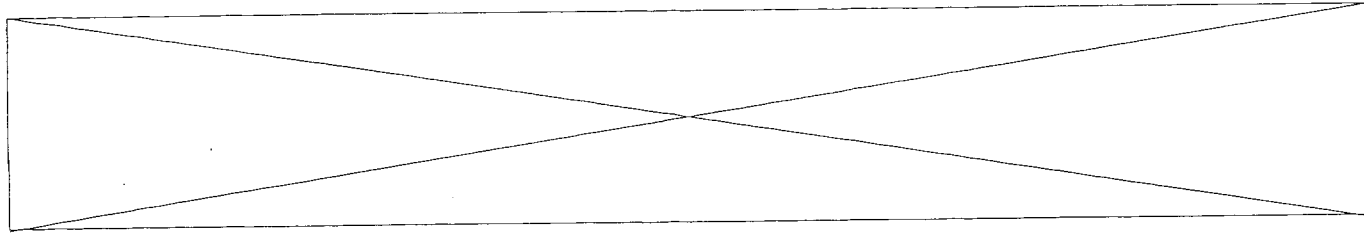
Concrete solutions:

- When I become governor, our aging citizens, and those with different abilities, will not have to worry about whether they have a friend in the Governor's office. I have been their champion in the Legislature, and I will remain their champion.

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Forward Washington REFORM SIX:

Restore our parks system and bring back one of the most special parts of living in Washington state.

Hard Facts:

- The Washington State Parks and Recreation Commission manages a diverse system of 120 parks and a variety of recreation programs, including boating, cross-country skiing and snowmobiling.
- During the 2003-05 budget negotiations, nearly a half a million dollars for "low priority" parks was on the chopping block, but in the end, Rossi's Senate budget prevailed and no parks were closed.

Real people:

- When I was young, my family didn't have much money. The only vacations we could only afford were camping trips at state parks. I think that's true for many Washington families. We've got to keep those same opportunities available to our citizens today.

Concrete solutions:

- I propose adding \$125 million per biennium to our park system. The year 2013 is the 100th anniversary of our state parks. The bipartisan state parks commission is developing a restoration plan in time for this anniversary. The plan will cost \$500 million over the next 10 years and as Governor, I'll make sure it is funded.

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I adore Dino Rossi and thought after the election that is wa ..

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From Little League baseball to the Washington State senate to the amazing governor's race that ended in the closest - and most controversial - in U.S. history, Dino Rossi has learned plenty of lessons about life, business, politics and leadership. Drawing from his own experiences, Dino shares stories about the people and events that shaped him into a successful businessman, political leader, and most importantly, a dedicated husband and father.

As you read his story, you will learn about the principles that guide him, and also realize the potential! you have to be a leader yourself. This book is fun, insightful and captivating in its common-sense approach to success and

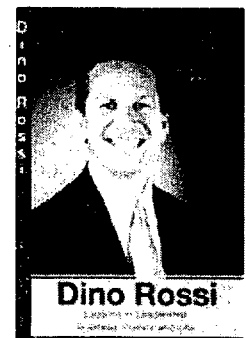


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"Dino Rossi's leadership style of seeking out a philosophical majority instead of partisan majority has made him a success in the political arena." - Mayor Rudy Giuliani



"Dino Rossi proves that in the political world, you can be fiscally conservative and still have a social conscience. This book explains in an entertaining way how Dino accomplished things that most people thought were impossible." - US Senator John McCain



"The leadership skills Dino describes in this book are useful for people in all walks of life -- business, politics, sports, and more. Dino is a great leader and team player; his advice will help you both professionally and personally." - Matt Hasselbeck, Seattle Seahawks Quarterback



Photo by Corky Trawn

About the Author:

Dino Rossi was twice certified the winner of the 2004 Washington state governor's race before a third recount switched the results of the election by the narrowest of margins. In a state where Democratic presidential candidate John Kerry won handily, Republican Dino garnered literally tens of thousands of Democratic and independent votes. No Republican in Washington state had won the governor's race since 1980.

Dino appealed to a broad base of voters with his straight talk on government reform and accountability, jobs and economic growth, protecting the vulnerable, and the importance of bipartisanship. His popularity continued throughout the aftermath of the 2004 election, including the election challenge he mounted in state Superior Court due to serious voting irregularities in Washington's largest county, King County. Although Dino was not successful in his election challenge, a majority of Washingtonians continue to believe he received the most votes.

First elected to the Washington state Senate in 1996, by his third year he was Deputy Leader and the lead Republican on the budget-writing Ways & Means Committee. He was re-elected to his state Senate seat in 2000 with nearly 70 percent of the vote.

While in the state Senate, Rossi was a strong leader on budget issues. In 2003, after becoming the Chairman of the Senate Ways & Means Committee, Washington faced the largest dollar deficit in its history. Even though the state House and the Governor's Office were controlled by Democrats, Dino worked across party lines and balanced the budget without raising taxes, while still

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protecting the most vulnerable and disadvantaged.

Dino is also a successful businessman. He has been in the commercial real estate business for 22 years, and is currently Vice President of Scott Real Estate Investments in Seattle. In addition, he is co-founder of the Eastside Commercial Bank, founded in 2002.

A Washington native, Dino learned hard work and strong values from his family while growing up in Mountlake Terrace, Washington. He paid his way through college by working as a janitor. He graduated from Seattle University with a Business degree in 1982. After graduation, he was a regular volunteer with senior centers, the Boys & Girls Club and the Nature Conservancy.

Dino and wife, Terry, live near Seattle, Washington with their four children.

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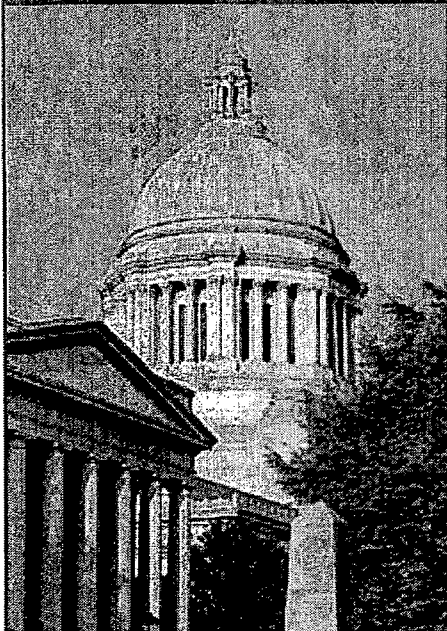
Dino Rossi: Lessons in Leadership, Business, Politics and Life

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Welcome to the official web site of the Forward Washington Foundation!

The Forward Washington Foundation is a non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of Washington state, its citizens and its economy.


We are focused on state-level issues such as improving the business climate, especially for small and medium-sized businesses, responsible state budgeting, accountability in state government and protecting the poor and the vulnerable.

Our goal is to promote and offer proposals that will improve the quality of life and economic opportunities for all of Washington's citizens.

We hope that you find this site informative and useful. Also, we encourage you to visit our newest initiative, the Washington Idea Bank. It is a new way for citizens to interact with their government. Click on the link below for more information and to make your "deposit."

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Washington Idea Bank
Presented by the Forward Washington Foundation.

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Submit Your Idea **Got an interesting idea? Submit it and help your state flourish!**

Recent Posts

Dan McDonald Named New President

FOR IMMEDIATE RELEASE

Contact: Ted Dahlstrom (425) 644-7753

BELLEVUE, September 26, 2007 ----- Ted Dahlstrom, Executive Director of the Forward Washington Foundation, announced today that Dan McDonald has been named the new President of the Foundation, replacing Dino Rossi. McDonald, a Bellevue engineer and former Senate Majority Leader and Ways and Means Committee Chairman, also sits on the Foundation's board.

(More)

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Washington Business Owners Survey

Q1. What is the nature of your business?

Q2. How long have you been in business?

Under 2 years

2-5 years

6-10 years

11-20 years

Over 20 years

Q3. Do you currently have business operations in Washington State?

Yes

No

Next >>

EXHIBIT ¹⁵
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Not currently operating in Washington State

Exit this survey >>

Q4. Did you have business operations in Washington State in the recent past?

Yes

No

Q5. If yes, what factors or business climate challenges led your company to close operations in Washington State?

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Exit this survey >>

Q10. Have you ever considered leaving the state to another location that has a more favorable business climate?

Yes

No

Not sure

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Exit this survey >>

Q11. What business climate challenges give you reason to consider this relocation option or possibly close your business completely?

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Now a few questions for statistical purposes:

Q12. How many people does your business employ today?

1-4

5-9

10-19

20-49

50-99

100-249

250-499

500-999

1,000-4,999

5,000-9,999

10,000 +

Q13. What were your total sales in 2006?

Less than \$500,000

\$500,000 to \$1 Million

\$1 Million to \$2.5 Million

\$2.5 Million to \$5 Million

\$5 Million to \$10 Million

\$10 Million to \$20 Million

\$20 Million to \$50 Million

\$50 Million to \$100 Million

\$100 Million to \$500 Million

\$500 Million to \$1 Billion

Over \$1 Billion

Decline to respond

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Q14. Are you expecting sales to increase or decrease in 2007?

Increase

Decrease

Remain the same

Unsure

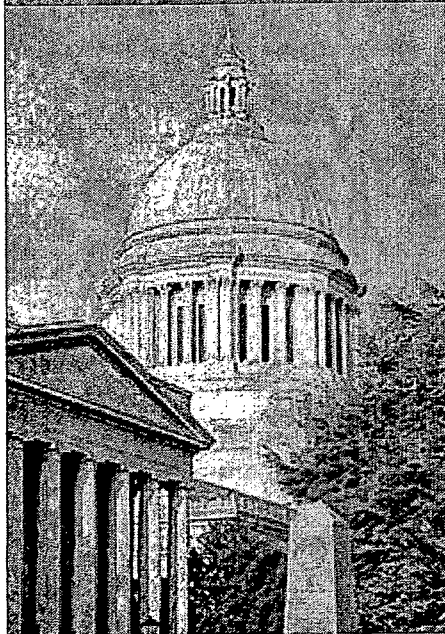
Q15. What barriers, if any, hold you back from expanding your business or further investing in other entrepreneurial endeavors?

Q16. In closing, is there anything else you would like to add about the business climate in Washington State? What reforms do you feel are necessary at the state level for current and prospective businesses?

<< Prev

Done >>

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« |

Essential Fiscal Reforms for 2007 and Beyond

Legislators can and should institute safeguards to ensure smart state budgeting decisions. The following are essential fiscal reforms from the *Forward Washington Foundation* for 2007 and beyond:

Forward Washington Foundation: Essential Fiscal Reforms for 2007 and Beyond

If every dark cloud has a silver lining, then the strides made to create a more fiscally and socially responsible state budget in the middle of the 2002-2003 economic downturn is surely it. Lessons from five years ago form the basis of the Forward Washington Foundation's recommendations for eight essential budget reforms for 2007 and beyond that will ensure Washington's continued economic vitality for generations to come.

Just as in any bad time, the silver lining of that 2002-2003 economic downturn was a return to focusing on the priorities of state government. Faced with a \$2.8 billion deficit in the state biennial budget, the legislative leaders of the time maintained a philosophy of fiscal conservatism combined with a social conscience that resulted in crafting a balanced state budget that protected our most vulnerable Washington residents.

Then Gov. Gary Locke embraced the Priorities of Government (POG) process, which refocused state government on budgeting to buy and deliver the best possible value of services to Washington taxpayers. Essentially, POG freed state agencies from a turf-guarding mentality, encouraging instead a mentality of budgeting for outcomes that benefit Washington residents.

Unfortunately, as hard economic times passed, the executive branch and current legislators have detoured off the path of responsible fiscal decision-making that produces consistency and predictability in state government. If the 2007 biennial budget process mirrors the 2005 budget, then our state will find itself in a deep hole when the next economic downturn strikes our region.

Legislators can and should restore safeguards to ensure smart state budgeting decisions. The following are essential fiscal reforms from the *Forward Washington Foundation* for 2007 and beyond:

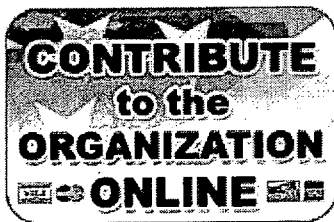
1. Fund education first

By including education funding in the state's Constitution, our

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state’s founders understood the value and importance of an educated citizenry. Education fuels economic prosperity. Employers need an educated workforce. Quality education translates to more productivity and higher wages. From an economic standpoint, the funding of education should take first priority over all other appropriations to ensure Washington’s economic competitiveness.

Now is the time to fully fund real education reform. And this funding should come ahead of every other single new state expenditure. But today in Olympia leaders are talking about making only a down payment on the effort to create a higher quality education for our children. They propose to make a small down payment now and spend the budget surplus on a number of other new programs. This is wrong for our kids and wrong for our state’s future. The education proposals now put forward will only be funded and implemented if it is made No. 1 priority and funded while there is a surplus. Too much money is being proposed for other good and worthy ideas “ but unless the education reform is fully funded now when times are good “ it will never happen.

2. Mandate a rainy day fund

Creating a constitutionally mandated rainy day fund is a good hedge against inevitable cyclic downturns in the economy. A constitutionally mandated rainy day fund will provide state government with some consistency over time, as well as protect taxpayers from unnecessary tax increases or cuts to core government services during economic downturns.

The Forward Washington Foundation since its inception has proposed a rainy day fund that would:

Require 1 percent of forecasted revenue be transferred to the state general fund each fiscal year, with the total capped at 10 percent of annual revenues.

Require a three-fifths majority vote of the Washington State Legislature to appropriate funds from the reserve account.

Require reserve fund appropriations by a simple majority vote of the Legislature if revenue growth is less than 1 percent.

3. Restore state spending limits

Initiative 601 (I-601), passed by statewide vote in 1993, established spending limits and a rainy day fund for excess state revenues. These spending limits worked well for 10 years to curtail out-of-control state spending, until the governor and Legislative majority rescinded the limits during the 2005 budget cycle. The Legislature is poised again to rescind the limits in the 2007 budget cycle.

The Forward Washington Foundation proposes the following:

Close loopholes that allow legislators to circumvent the I-601 spending limits.

Require a 60-percent majority vote to raise taxes, including any move to expand the tax base or extend an expiring tax (excluding the motor

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vehicle tax).

Clarify program shifts, a device which has been used to increase the state spending limits.

Creating a more bipartisan approach to state budgeting. Ranking members of the House Appropriations and Senate Ways and Means committees should serve on the Expenditure Limit Committee.

4. Reassess/reduce health care mandates

Health care mandates passed by the Legislature now number 50, more than any other state in the nation. A healthcare insurance company must currently comply with all 50 mandates just to offer insurance in Washington. Because of this many companies will not offer insurance coverage in our state. This limits choices for everyone and drives up the cost for all.

The Legislature, even though pressured by special interests, should be required to determine the full cost and impact of mandates on Washington's economy before passage. A full cost/benefit review of the Legislature's 50 health care mandates is long overdue. Paring the list down to the most necessary could help to bring down health care costs and give Washington residents more choices for healthcare insurance.

5. Focus on Washington's economic competitiveness

The Legislature's goal in this global economy should be to foster a business friendly atmosphere that allows Washington businesses to thrive and compete throughout the region, the nation, and the world. The preponderance of evidence shows that lower taxes actually foster greater tax revenues for states and municipalities. The free market will work despite the Legislature's best efforts to manipulate it. Businesses will move to states with friendlier tax laws.

Employers both big and small are quietly leaving Washington, taking jobs and investment dollars with them. Many other businesses are choosing not to locate here. Employers leaving our state make it clear they have relocated because of our regressive business and occupation (B&O) tax, the state Estate tax "Death Tax" as well as the broken unemployment insurance and workers' compensation systems.

In an effort to propose viable and workable reforms, Forward Washington Foundation is interviewing small- and medium-sized employers that have re-located out of state to learn how Washington state government can better support the business community. In the end, a vibrant and competitive business climate benefits all Washington residents by providing abundant job opportunities.

6. Reassess collective bargaining contracts

To say that public employee collective bargaining contracts should be considered in conjunction with all state funding priorities is not to diminish the importance of our public employees. Currently, in accordance with state law, public employees' salary and benefits are negotiated with the executive branch and the public employees' unions before the legislative session starts. The dollars are promised

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even before education or services for the poor and the vulnerable. It is simple fiscal responsibility to not allow such contracts to drive the state budget, leaving other paramount funding priorities, such as education and social programs for our most vulnerable residents, to the leftovers.

7. Institute state pension system reforms

The Forward Washington Foundation proposes a biennial in-depth review of the state pension system. The Legislature has made some limited attempts at reform, but clearly more must be done to ensure a stable system and to stave off any failure to pay obligations to state pension beneficiaries. All unfunded pension liabilities should be addressed now.

8. Fix our state parks

The park system has long been one of the jewels of our state, drawing millions of visitors each year. The Legislature should fully fund the Centennial 2013 plan, which would eliminate the state parks maintenance backlog and fund the necessary repairs and renovations to our parks. This one-time use of funds to fix the existing system would avoid using bond money in the future and restore and renovate our park system for everyone to enjoy.

[General :: Permalink](#)

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GORDON A. LIVENGOOD (1921 - 2001)

October 23, 2007

Via electronic mail: tperkins@pdc.wa.gov

Mr. Tony Perkins
Political Finance Specialist
Public Disclosure Commission
P.O. Box 40908
Olympia, WA 98504-0908

Re: Forward Washington Foundation

Dear Mr. Perkins:

I am writing to follow up on your letter, dated October 17, 2007. A copy of the letter is enclosed. I have made inquiry of the individuals identified in the letter and forwarded your letter to them. There are no documents responsive to the request in the possession of any of the named individuals.

Very truly yours,

LIVENGOOD, FITZGERALD
& ALSKOG, PLLC


John J. White, Jr.

JJW/lw

Enclosure: a/s

cc: Dan McDonald, President, Forward Washington Foundation (w/encl.)
Dino Rossi (w/encl.)

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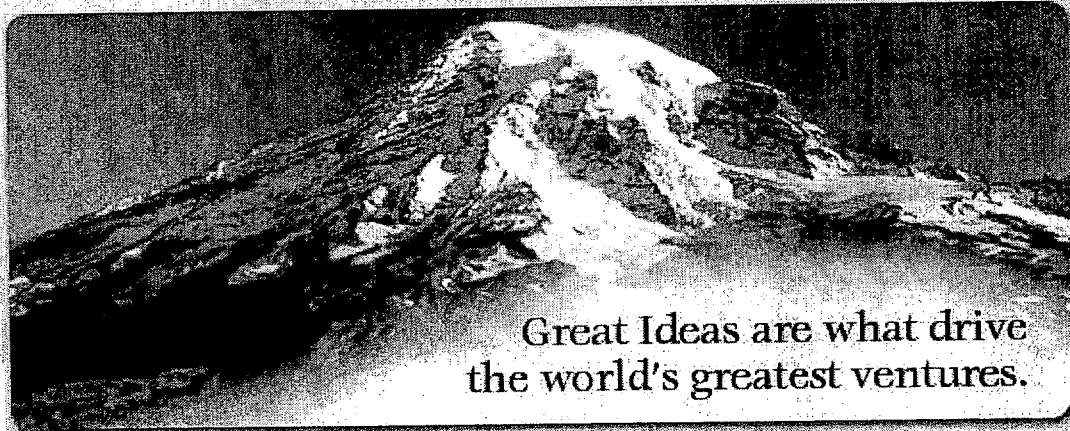
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Washington Idea Bank

Thank you for visiting the Official Web Site of the Washington Idea Bank, brought to you by the Forward Washington Foundation! The Idea Bank is a new, exciting way for citizens to participate in their government.

When there is a lack of leadership in Olympia we see the business climate worsen, out of control spending and a return to huge deficits. The same people with the same failed policies operated this state. Therefore, ideas must come from regular Washingtonians who live outside of the Olympia "beltway."

The Forward Washington Foundation, a non-partisan, non-political educational foundation, is taking the first step by asking Washingtonians to submit their ideas of how government should work and where to focus its priorities.

In coordination with local civic organizations, Forward Washington held 12 Idea Forums across the state. These forums were a terrific success that gave Washingtonians the unique opportunity to share new and dynamic ideas in a public setting.

However, it's not too late to submit your ideas! We have received over 450 ideas so far, and we encourage you to submit yours today. The more ideas we receive, the more good we can do for our state. We will still be posting ideas on the web site, and you can even rate your favorites. [Click here to submit your idea.](#)

Now that the forums have been held (for now...), all the ideas have been collected through this site and a committee made up of state leaders and academics has been sorting through the ideas that we received at the events and through the web site to find the ones that will do the

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most good for our state. These ideas will be included in a working document that the Foundation will present to the legislature next January. This work product will be a helpful resource for the legislature to use as they create legislation that affects all of us.

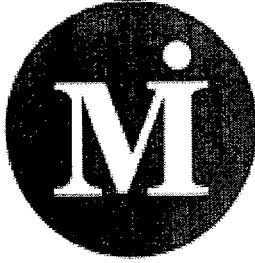
The Committee members are: Lou Guzzo, Chief Policy Counselor and Press Secretary for Former Governor Dixy Lee Ray; Susan Hutchison, Executive Director, Charles Simonyi Fund for Arts and Sciences; Dr. Mathew Manweller, Professor of Political Science at Central Washington University; and Ted Dahlstrom, Executive Director of the Forward Washington Foundation.

We at the Forward Washington Foundation sincerely appreciate you visiting the Washington Idea Bank web site and taking part in this citizen-driven effort to make Washington a better place for everyone. With your ideas, we truly can achieve great things.
The Washington Idea Bank: Make your deposit today!

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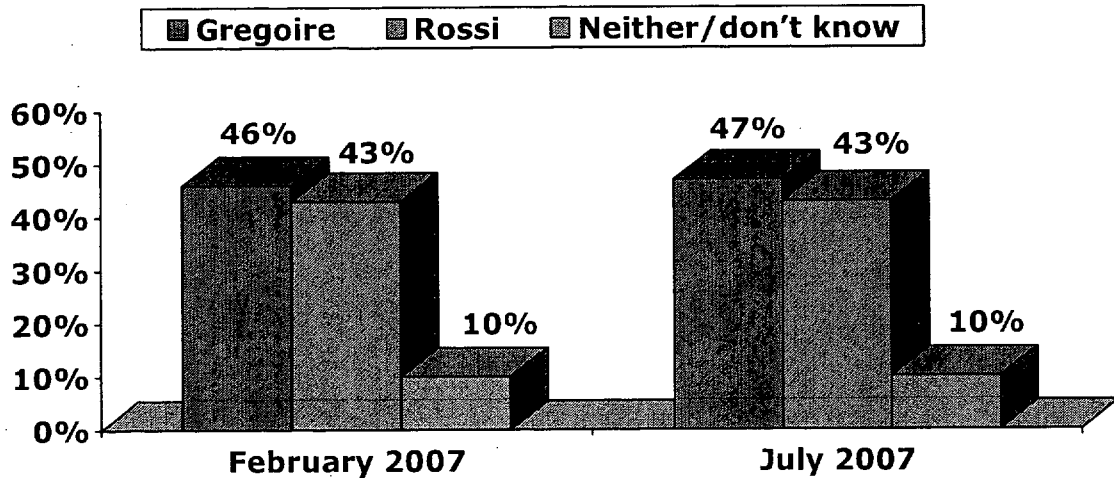
OPINION RESEARCH • STRATEGIC ANALYSIS

July 19, 2007

TO: Interested Parties
FROM: Bob Moore & Hans Kaiser
RE: Washington State: 2008 Gubernatorial Race

A Gregoire vs. Rossi Race for Governor Could Be Close

Results of our recent poll of Washington voters show a 2008 gubernatorial contest between Christine Gregoire and Dino Rossi could be as close as it was in 2004. Today, the race is a statistical dead heat (Gregoire 47%, Rossi 43%, undecided or neither candidate 10%, sampling error plus or minus 4%). The current sentiment is identical to a poll we conducted in February 2007, when Gregoire had 46% and Rossi 43%.



Today, Gregoire leads in King County, Rossi leads in Eastern Washington, and the race is a dead heat elsewhere in the state. Interestingly, both candidates lead among their own party by identical 85-9% margins, while Independents are up for grabs.

There is good news and bad news for both candidates in the poll. Gregoire's standing with voters has improved since early 2005, but the fact that she doesn't lead Rossi after successful legislative sessions and a much improved economy has to have her campaign

advisors concerned. Generally speaking, voters give credit to governors when their state's economy is good.

Further evidence of how close the race could be was found when survey respondents were read positive statements about Gregoire and Rossi.

Looking ahead to the 2008 Governor race,

Democrat Christine Gregoire says that the state is on the right track, the economy is strong and that her leadership has earned her another four years in office. She says we should not take a chance on Dino Rossi.

Republican Dino Rossi says that we can do better, that Christine Gregoire has worked in state government for 38 years and that it's time for the fresh ideas and new people he will bring to Olympia if he is elected Governor.

While 43% agree leadership has earned Gregoire another four years in office, 45% say it is time for fresh ideas and the new people Rossi will bring to Olympia if elected. The remaining 12% have no opinion.

The survey was conducted July 9-11, 2007, among a representative sample of 500 voters in Washington State. The potential sampling error is plus or minus 4% at the 95% confidence level. Moore Information is responsible for its content. Questions on the governor's race in February and July were commissioned by Moore Information as a service to our clients and friends. They were not paid for by a gubernatorial campaign.

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Would not offer much information, in order to respect the confidentiality of his clients. He said that the memo I had reviewed related to two questions that had been inserted into surveys commissioned on topics other than the 2008 gub race. The questions were:

1. Who would you vote for, if the election were today?
2. Reactions to positive statements about Rossi and Gregoire.

He said that no one paid Moore Information to ask these two questions in the Feb and July surveys. He said that often he will ask questions that weren't sponsored by anyone, but are intended to drum up business for his firm, and that that's what had happened in this instance. He would not tell me who sponsored the underlying surveys.

He would not say whether or not he had been paid to do other polling that matched up Rossi and Gregoire for 2008. He said that to his knowledge he had not conducted polling on Rossi vs. Gregoire in 2008 for any Republican Party organization, unless someone else paid for it for them. (This sounds like confirmation that he HAS done such research.) He said that neither Rossi, any Rossi campaign, nor the Forward Washington Foundation has asked him to poll a head-to-head match of Rossi and Gregoire in 2008. He said that the last reasearch he did for Rossi was for the 2004 race, and that he also did some polling during the the election contest.

He said that when the two questions on the 2008 gub race were fielded, the media was notified of the results first. He said that he also communicated the results to an existing list of "interested parties" that included Senator Rossi, but that Rossi did not know about the polling in advance or specifically ask to be informed of the results. He said that they're going to do another poll next week that asks questions about the 2008 gub race, and that no one knows about it.

EXHIBIT #20
1 of 1

SEATTLE POST-INTELLIGENCER

http://seattlepi.nwsourc.com/local/331963_rossi17.html

EXHIBIT
of

#21
3

Rossi run for governor? All signs point to yes

He says he'll decide before year's end

Last updated September 16, 2007 10:33 p.m. PT

By NEIL MODIE
P-I REPORTER

He doesn't admit it, but Dino Rossi seems to have made up his mind to run again for governor.

Even as the 2004 Republican nominee faces an investigation of whether he illegally used his public policy foundation as a front for a 2008 campaign, he reportedly is moving toward an announcement of his candidacy sooner than he has indicated. Some of his 2004 campaign operatives have been touting his 2008 prospects.

Rossi's announcement is considered likely before Thanksgiving and possibly as soon as mid-October. On Sunday during an interview, he repeated what he's said for months: He will decide before the end of the year whether to challenge Democratic Gov. Chris Gregoire, who defeated him by 133 votes in 2004.

"Like I said before, before the end of the year," he said.

Rossi's protracted pondering has worried many Republicans because the party has no backup gubernatorial candidate. But an active party member who has talked with key Rossi advisers, and spoke on condition of anonymity, said those advisers "feel 100 percent confident that he is in. ... They talk about him running as a sure thing."



zoom Karen Ducey / P-I file (2004)

Despite Republicans' worries over Dino Rossi's protracted pondering, one active party member says key advisers "feel 100 percent confident that he is in."

Other party insiders, too, say they no longer worry that Rossi won't run. Some top Republicans have prodded him for months to declare his candidacy and build a campaign -- and a war chest.

Gregoire's re-election campaign has raised nearly \$2.7 million and had more than \$1.7 million in the bank by the end of August. Rossi can't start soliciting campaign money until he registers as a candidate.

"I think people are getting tired of him waiting to say yes or no," said a party strategist, speaking on condition of anonymity.

However, an investigation by the state Public Disclosure Commission of a complaint by the state Democratic Party looms over Rossi. The complaint says he violated state campaign laws by using his non-profit Forward Washington Foundation to finance an ongoing campaign, and keep his name and his political views before the public.

The foundation, started by Rossi, pays him \$75,000 for serving as its president; the foundation's records describe it as a half-time position. Unlike political candidates, the foundation isn't required to publicly disclose who gives it money. He has no other job, but owns a number of income properties.

The complaint is "a high priority, I can tell you that," said Doug Ellis, the disclosure commission's assistant director.

Rossi has called the Democrats' complaint baseless and trumped up by Gregoire's supporters. If Rossi indicated he is building a campaign, it could undercut his defense against the Democrats' allegations that his non-partisan cover is slipping and his activities are those of a candidate.

essential for governor. The signs point to you

These, however, seem to be signs of a budding candidacy:

- Rossi spent months addressing civic and business groups on behalf of his foundation, which promotes conservative fiscal and other policies he advocated as a 2004 candidate for governor. But recently he cut back on those events while stepping up his partisan speeches to Republican Party audiences -- three within three days last week, for example, in Everett, Colville and Pullman.

"I'm kind of peeling back my time a little bit" with the foundation, he admitted. But he said the political engagements were scheduled months ago.

- Rossi's 2004 polling consultant, Moore Insight of Portland, sent news media and others the results of a July public opinion poll with encouraging news for Rossi supporters. It said a Gregoire-Rossi matchup at that time was a statistical dead heat, with Gregoire favored by 47 percent and Rossi by 43 percent of voters surveyed, and a margin of error of plus or minus 4 percentage points.

Rossi's 2004 fundraising consultant, Amy Barnes of Fundraising Partners Northwest, then e-mailed the results to some of Rossi's 2004 contributors.

"The poll is broadcast to a thousand people by (Moore Insight's) Bob Moore" to drum up business for him, Rossi said.

- Rossi went to Las Vegas Sept. 6 to address the Republican Governors Association, the national campaign arm of the party's governors, which wants him to run again. He said the association "wanted me to come talk about the '04 race ... I told them I haven't decided whether to run again or not."

Asked if the association has polled on his potential 2008 candidacy, he said, "Not that I've seen. ... If they did, they haven't shown it to me."

However, the Pierce County Republican Party discussed just such a poll at a meeting July 28. According to minutes of the meeting, a report from the Republican State Committee said: "Republican Governors Assoc. poll looking good for Dino Rossi should he choose to become a candidate in 2008."

- The state Republican Party's annual fall dinner in SeaTac Oct. 10 is designed to demonstrate GOP support for a Rossi candidacy, with a theme of "Run Dino Run," possibly to build public and party-base momentum for an announcement of his candidacy shortly thereafter.

The banquet invitation says, "Help us convince Dino Rossi to run for governor." The keynote speaker will be the chairman of the Republican Governors Association, Georgia Gov. Sonny Perdue, with whom Rossi met in Las Vegas.

- According to a Tacoma News Tribune editorial page blog, state Attorney General Rob McKenna, a Rossi confidant, spoke with the paper's editorial staff Aug. 30. Paraphrasing McKenna, editorial page editor David Seago wrote, "McKenna said there's no doubt Rossi's going for it."

Rossi said, "I called (McKenna) immediately" after reading the editorial blog. "I said, 'Rob, do you know something I don't know?'"

McKenna implied in a Friday interview that he was handed a script, in effect, by Rossi and that, "what we agreed for public consumption ... (was that) Dino has told me that he has not decided whether to run." As for saying he was certain that Rossi is running, McKenna now says: "I didn't say that. What I said was, I hope he does run, and I might have said ... that if he finds enough support, he will run."

Rossi "wanted me to be very clear on his approach to this," McKenna added, "and he was very clear to me regarding what I should understand about that and what I should say publicly."

P-I reporter Neil Modie can be reached at 206-448-8321 or neilmodie@seattlepi.com.

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~~_____ DRAFT _____~~

Minutes - PCRП Central Committee Meeting 28 July 2007
American Legion Post 138 University Place, WA

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SEP 20 2007

Public Disclosure
Commission

Call to Order: PCRП Chair **Deryl McCarty** (02) at 9:05 AM.
 Quorum Call: Sgt. of Arms **Doug Kotrba** (29) confirmed - 51 voting members present.
 Invocation: Rev. **Ron Emmoms** (02). Flag Salute: **Doug Richardson** (28)
 Minutes: **Jean Miller** (02). Motion and second to accept as printed and mailed. Correction requested by **Erika Cramner** (28) to treasurer's report. To read: Period after as mailed. Additions of \$190 received from WSRP 2006 Auction, \$1,000 from Jan Shabro campaign surplus and \$893 from last month's Lincoln Day Raffle are on hand for the April Report. Minutes approved with requested correction.
 Treasurer's Report: **Erika Cramner**. Copy attached.

State Committee Report: **Martyn Jensen** (26): Republican Governors Assoc. poll looking good for **Dino Rossi** should he choose to become a candidate in 2008. WSRP are traveling the state, recruiting qualified candidates. Vice Chair **Olga Miller** is traveling the state for grassroots party building. WSRP is putting together a booklet of county fairs to determine return on cost. **PRESIDENT GEORGE W. BUSH WILL BE IN THE STATE IN LATE SUMMER TO RAISE MONEY FOR THE STATE AND NATIONAL PARTIES.** The Slade Gordon Lifetime Achievement Award was awarded posthumously to **Norm Maleng**. RNC is "moving on from the immigration issue". RNC Leadership Conference is Sept. 20-23 in San Diego. WSRP rent to increase 30% (to \$3,000/month) looking for new headquarters. Fall reception planned for potential candidates. No Oct. meeting. Voter Vault: Eastern Washington Republican Women's Clubs calling the '0's'. County Chairs will be in charge of voter vault information and allowing access.

Steve Cofchin. Candidate recruitment coordinated with House and Senate Republican Caucus. They have prioritized Leg. Districts 25, 26, 28. WSRP is readdressing bylaws for endorsing candidates.

Candidate Committee Chair **Dave Morell** (25): The following candidates have requested PCRП endorsement for the August 21, 2007 Primary election of non partisan offices. The Central Committee can choose to "endorse" which gives that candidate access to party resources including the voter vault; choose to give a "preferred" status which the candidate may use in ads if desired or do nothing.

Initiative 960 has qualified for the ballot. It will reestablish 601, passed by voters, requiring a vote of the people to raise taxes. **Rick Bauer** (02) moved to endorse. **Martyn Jensen** (26) seconded. Passed.

Port of Tacoma Commissioner Position 3 Candidates. **Bill Casper - Dick Muri** (28) motion to prefer. **Martyn Jensen** (26) seconded. Failed 24 to 7. **Don Johnson**, V.P. Simpson. Motion to endorse by **John Perry** (25) Second **Jane Milhans** (28). Passed 42 to zero. **Dave Hyers** motion to endorse **Javier Figueroa** (28) Second **Doug Kotrba** (29). Failed 27 to 15. Motion to prefer **Dave Hyers** by **Colleen Wise** (31). Second **Dick Muri** (28). Passed 22 to 19. (Note: PCRП Vice Chair, **Carolyn Lake** abstained on all Port of Tacoma Commissioner votes.)

City Council Positions. City of Orting Council **Ron Emmons** (02). Unanimous endorsement. Lakewood City Council **Lisa Ikeda** (28) Motion to endorse **Erika Cramner** (28), Second **Pad Finnigan** (28). Unanimous passage. Lakewood City Council: **Don Anderson** (28) Motion to endorse, **Jane Milhans** (28), Second **Doug Richardson** (28). Passed. Also running, **Bruce Banfield**. Motion to endorse **Dick Muri** (28), Second **Doug Richardson** (28). Passed. Lakewood City Council **Walter Neary** (28). Motion to endorse **Carolyn Lake** (28), second **Doug Richardson** (28). Passed unanimously. Tacoma City Council **Marty Campbell**: Move to prefer **Bea Christophersen** (27), Second **Dick Muri** (28). Passed 24-14. Tacoma City Council **Marty Campbell**, motion to give preferred status **Matt Hamilton** (02), second **Dick Muri** (28). Passed 22 to 19.

Lakewood Fire Commissioner Dist. #2, Position #3 **Darrell Shiley** (27). **Wally Nash** (25) moved to endorse. **Erika Cramner** (28) seconded. Passed 43 - 2.

School Boards: Orting **Wendy Birnbaum** (02). Move to endorse **Amy Cruver** (02), second **Matt Hamilton** (02). Unanimous approval. Tacoma School District 10 **Stan Smith** (27). Move to endorse **Bea Christophersen** (27), second **Andrea Innes** (25). Unanimous approval. Puyallup School Board **Larry Carney** (Opposes Dem. PCO) Move to prefer **Wally Nash** (25), second **Matt Hamilton** (02). Passed 23 - 19.

Chair Report: **Deryl McCarty** (02) presented a mock-up "Door Hanger" for PCOs to use as calling cards in their precinct. **Carol Cain** (POC). **Jeff Cunningham** (27) recommended using book by Frank Luntz. **Using Words That Work**. Call or email Carol if you have suggestions.

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#22
EXHIBIT
1 of 2

Draft

Planning is underway for Fall fundraiser event with **Rudy Giuliani** with date to be announced. The Giuliani appearance will include four events: Mid morning for media, Lunch at the Landmark \$125 to \$150 per person (part of ticket price comes back to PCRCP), Afternoon \$1,000/per for him and Evening rally at Tacoma Elks for free - party members invited to private room for one on one. Contact **Carol Cain** (POC) email Cain1950@comcast.net

Announcements were made by club leaders and others.

Motion to adjourn **Javier Figueroa**, second **Marion Hicks**. 12:24 PM.

Respectfully submitted,
Jean Miller (02-17)
PCRCP Secretary

RECEIVED

SEP 20 2007

Public Disclosure
Commission

Draft



*NOTE: Minutes will not
be approved until our
January 08 Central Committee
meeting. Devyl*

Tony Perkins

From: Deryl McCarty [deryl@eskimo.com]
Sent: Tuesday, October 23, 2007 11:56 AM
To: Tony Perkins
Subject: RE: Our conversation of this morning

Essentially correct, except that I recall Dino's introduction as being a bit longer than was necessary not more said than was necessary. So please change the words of the quoted "...more than she should have" because the connotation is wildly inaccurate. The accurate quote is ..."a bit longer than she should have."

From: Tony Perkins [mailto:tperkins@pdc.wa.gov]
Sent: Tuesday, October 23, 2007 11:32
To: deryl@eskimo.com
Subject: Our conversation of this morning

Dear Mr. McCarty,

Thanks for speaking with me a moment ago. Please respond to this email to confirm my understanding of your statements, or to correct my understanding as necessary.

You said that you could not attend July 17, 2007 Idea Bank event at the Inn at Gig Harbor, but that you did attend a meeting at Marlyn Jensen's house before Idea Bank event. You said that Senator Rossi was there, standing at one end of a table, addressing a group of 10-15, possibly as many as 20 people. You said that Marlyn and Jim Jensen were there, plus Tim Kovis, and that Jim Hines may have been there. In response to my question, you said that you couldn't recall seeing Javier Figueroa there. You thought it was possible that Beckie Krantz was there but you weren't sure. You said that Beckie's son may have been there.

You said that at the gathering at Marlyn Jensen's, Senator Rossi spoke about the Forward Washington Foundation, the Washington Idea Bank, and about a few specific ideas that had been offered through the Idea Bank. You said that he gave some information about how the Idea Bank event that evening would be structured and conducted. You said that Marlyn Jensen was highly effusive in her introduction of Senator Rossi, and said "a bit more than she should have." You said that when the people gathered at the event brought up a possible campaign by Senator Rossi for Governor in 2008, his response was the standard response he has given publicly, i.e., that he hadn't made the decision yet of whether or not to run.

You said that there was no discussion at this gathering of any polling that matched Senator Rossi against Christine Gregoire in the 2008 election. You said that you believed you were aware at the time of a Republican Governor's Association poll that matched this description, but that nothing specific was known about the poll except that it "looked good." You said that you believed that you and Marlyn Jensen both learned about the poll at a State Committee meeting of the Washington State Republican Party, but you could not recall who informed you of it.

Thanks in advance for your response. Please let me know if you have any questions.

Sincerely,

Tony Perkins

Political Finance Specialist, PDC
(360) 586-1042

#23
EXHIBIT
1 of 1

Tony Perkins

From: marlyn [marjen44@comcast.net]
Sent: Thursday, October 25, 2007 4:30 PM
To: Tony Perkins
Subject: RE: Our conversation re: PDC Case 08-001

Dear Tony,
 Thank you for being fair. To the best of my recollection, I believe these statements are true.
 Sincerely,
 Marlyn Jensen

From: Tony Perkins [mailto:tperkins@pdc.wa.gov]
Sent: Thursday, October 25, 2007 3:14 PM
To: marjen44@comcast.net
Subject: Our conversation re: PDC Case 08-001

Dear Ms. Jensen,

Thanks for speaking with me yesterday regarding the above-referenced case. Please reply to this email to confirm my understanding of your statements, or to correct my understanding as necessary.

In our conversation, I asked whether at a meeting of the Pierce County Republican Central Committee you had said "*Republican Governors Assoc. poll looking good for Dino Rossi should he choose to become a candidate in 2008.*" In response, you said that you believed you did make this statement. However, you said that you knew nothing about the poll except that it had been conducted.

You stated that you believed you had first heard of the poll at a meeting of the State Committee of the Washington State Republican Party, but that you could not recall the date of the meeting. You stated that you could not recall who informed you of the poll. You stated that the statement you repeated at the meeting of the Pierce County Republican Central Committee came from notes you took at the WSRP State Committee meeting, and that because you were busy taking notes at that meeting, you did not recall who had spoken about the Republican Governors' Association poll. You stated that you personally knew nothing about the Republican Governors' Association.

In response to my question of whether you had been contacted by Forward Washington Foundation employee Timothy Kovis with information about a Foundation event, you confirmed that you had been contacted, but you could not recall by whom. You stated that you did not believe you knew Tim Kovis personally.

You stated that you attended the Washington Idea Bank event at the Inn at Gig Harbor, held on July 17, 2007. You stated that prior to the event, a gathering was held at your home, and was attended by Senator Rossi, who addressed those gathered. You stated that you invited a bi-partisan group of friends and acquaintances to the event, including members of your Rotary club. (You stated that Senator Rossi had spoken to your Rotary club earlier the same day.) You stated that the attendees at the event at your home may have included Jim Hines and Beckie Krantz, but that you were not absolutely certain of this.

You said that you introduced Senator Rossi before he spoke. You said that you believe you said that the Senator has a lovely wife, and that you appreciated the work of the Forward Washington Foundation and Washington Idea Bank. You said that you may have encouraged the Senator to run for Governor in 2008, but you were not certain of this. However, you said that questions about the 2008 gubernatorial race did come up, and that Senator Rossi said very clearly in response that he had not yet made up his mind whether or not to run.

You stated that you were unable to attend the October 10, 2007 WSRP Fall Dinner because of a scheduling conflict.

In response to staff's question of how often you have contact with the senior officers or staff of WSRP, you stated that you received emails from the party with some frequency, and that you were sometimes contacted with requests to generate attendance at party events. You stated that the emails you received from the party were often group emails in which you were included as one of many recipients. As an example, you referenced an email you received on October 23, 2007 from WSRP, soliciting contributions to the party. You said that this email discussed Senator Rossi's expected announcement of his 2008 campaign for governor, and stated that "*we [the Washington State Republicans] don't want to take anything for granted, right up until the last minute.*"

EXHIBIT # 24

1 of 2

Finally, you stated that you strongly believed that no one with the Forward Washington Foundation had violated the PDC's laws in any way.

Thanks in advance for your response. Please let me know if you have any questions.

Sincerely,

Tony Perkins

Political Finance Specialist, PDC
(360) 586-1042

EXHIBIT #24
2 of 2

CHAIRMAN
Governor Sonny Perdue
State of Georgia



VICE CHAIRMAN
Governor Matt Blunt
State of Missouri

REPUBLICAN GOVERNORS ASSOCIATION

October 29, 2007

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NOV 02 2007

Public Disclosure
Commission

Mr. Tony Perkins
Public Disclosure Commission
State of Washington
711 Capitol Way, Room 206
P O Box 40908
Olympia WA 98504-0908

In re: PDC Case 08-001 – Dino Rossi and Forward Washington Foundation

Dear Mr. Perkins:

This letter responds to your correspondence of October 23, in which you asked four questions about the Republican Governors Association's activities as they may relate to the case afore-referenced. My answers are as follows:

1. Has the Republican Governors' Association (RGA) sponsored any polls, surveys or other public opinion research that matches Dino Rossi against Christine Gregoire as candidates for Washington State Governor in the 2008 election? (Please include any and all research sponsored by RGA to which the polling firm added questions concerning Dino Rossi, Christine Gregoire and the 2008 Washington Governor's race.)

Answer: Objection. Absent additional particular facts, the Public Disclosure Commission lacks the authority to regulate or inquire into public opinion research engaged in by RGA.

Notwithstanding this objection, the answer to the question is No.

2. If such research was sponsored, what company or companies conducted the research, and when was the research conducted?

Answer: Objection. Absent additional particular facts, the Public Disclosure Commission lacks the authority to regulate or inquire into public opinion research engaged in by RGA.

Notwithstanding this objection, the answer to this question is, Not Applicable.

#25
EXHIBIT
1 of 2

3. Was Dino Rossi informed of the research before it was conducted?
If so, when and by whom?

Answer: Not applicable.

4. Was Dino Rossi informed of the research after it was conducted?
If so, when and by whom?

Answer: Not applicable.

Sincerely,



Paul Bennecke

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NOV 02 2007

Public Disclosure
Commission

EXHIBIT #25
2 of 2

FORWARD WASHINGTON FOUNDATION DEPOSITS

TOTAL DEPOSITS FOR MONTH		
2006	April	\$13,586.00
	May	\$8,145.00
	June	\$27,910.00
	July	\$5,250.00
	August	\$42,700.00
	September	\$2,650.00
	October	\$0.00
	November	\$0.00
	December	\$25,476.00

2007	January	\$64,426.00
	February	\$39,853.00
	March	\$71,295.66
	April	\$10,338.00
	May	\$7,198.00
	June	\$24,488.00
	July	\$705.00
<i>as of 8/1/07</i>	August	\$12,750.00
		\$231,053.66

TOTAL	\$356,770.66
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EXHIBIT #26
 1 of 1



DINO ROSSI,
PRESIDENT

14725 NE 20TH STREET,
SUITE #D-41
BELLEVUE, WA 98007

WWW.
FORWARDWASHINGTON.
ORG

THE FORWARD
WASHINGTON
FOUNDATION IS A 501
(C) (4) STATUS
ORGANIZATION.
DONATIONS ARE NOT
TAX-DEDUCTIBLE
UNDER SECTION 170
OF THE INTERNAL
REVENUE CODE.

/title/ /first/ /last/
/address/
/city/, /state/ /zip/

Dear /Salutation/,

When I see a problem, I try to fix it. When I hear a disagreement, I try to help settle it. It's just the way that I am.

But lately, as state government has squandered the good will of our citizens, wasted the fruits of labor by business owners and taxpayers, and dashed the hopes and dreams of those less fortunate, I'm worried that the problems in Olympia are almost beyond repair.

Notice I said "almost." That's because even in the face of our increasingly mounting problems, I'm an optimist, too!

So to give folks like you and me a common-sense voice in the debate over critical issues facing our state, I've established the "**Forward Washington Foundation.**"

The Foundation is a non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of our great state, our citizens and our economy.

Some folks might call it a "think tank"...

I prefer to think of our Foundation as an "action tank"...

Where the common-sense ideals you and I share will give life to new ways to improve the efficiency of government and the services it provides to our citizens.

/Salutation/, if you agree that our problems are mounting, and our elected officials need a new direction, then I urge you to sign up as the newest Sustaining Member of the Forward Washington Foundation.

It's your generous check – for \$25, \$50, \$100, \$250, \$500 or more – that will take our plans off the drawing board and spring them into action.

What's more, now is the perfect time to join our cause. Why?

Because as the State Legislature in Olympia nears the mid-point of their session, the **Forward Washington Foundation** is working to provide solutions to our state's most critical problems.

(Over, Please)

EXHIBIT #27
1 of 12

Consider these ominous facts:

- ** Both small and large businesses alike are burdened by a Business and Occupation Tax on gross receipts, and we have the highest unemployment insurance rates in the nation.
- ** Washington has one of the highest small business failure rates in America.
- ** The enacted 2005-07 State Budget increased state spending by 17.4%. If the 2007-09 budget is adopted at proposed levels, the spending increase is almost 33% — in just 4 years.
- ** The reinstatement of the “Death Tax” makes it more difficult – and impossible, in many cases – for business owners to pass on their companies to family members.
- ** Although it was passed by the people in 1993, Initiative 601 – which limited spending and required state government to set priorities and sound budgeting practices – has been systematically dismantled.
- ** And while our state budget is at an all-time high, our leaders continue to spend recklessly on hundreds of pet political projects and special-interest give-a-ways.

If I were a cynic, I'd say that all hope is lost.

But you and I both know Washington is a remarkable state filled with every opportunity in the world, and our citizens are endowed with an entrepreneurial instinct and a work ethic that knows no bounds.

The sad fact is that state government is fighting us every step of the way.

The **Forward Washington Foundation** was founded to fight back. And we need your help to meet today's challenges... before they become tomorrow's crisis.

All it takes is strong leadership – from folks like you and I who've had our share of real-world experience, have the scars to prove it, and are eager to turn life's valuable lessons into hope for a brighter tomorrow.

Will you provide that leadership, and take a moment right now to become the newest Sustaining Member of the **Forward Washington Foundation**?

(Next Page, Please)

EXHIBIT #27
2 of 12

Page Three

I hope you'll say, "Yes, Dino" and use the enclosed Membership Acceptance Form to send your check for \$25, \$50, \$100, \$250, \$500, \$1,000 or more today.

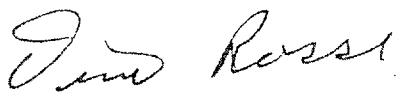
Because we are a non-partisan and non-profit 501(c)4, there is no limit to the amount individuals or corporations can contribute.

Your personal reply is important to me, so I've enclosed a return-addressed, postage-paid envelope that will be delivered to my desk at our headquarters.

We both realize that Washington's problems are growing. Crisis looms with each new spending bill, government program or bureaucratic rule enacted by our elected officials.

Will you join us as a Sustaining Member of the **Forward Washington Foundation** today, and get our state back on the track to fiscal discipline and prosperity?

Sincerely,



Dino Rossi
President

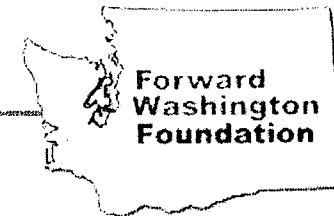
P.S. Your Sustaining Membership check for \$25, \$50, \$100 or whatever amount is right for you is important to the success of our Foundation.

So are your comments, thoughts and ideas. If you've had a difficult encounter with state government... or if you've got an idea how we can solve the challenges we face... use the back of the Membership Acceptance form to let me know.

P.P.S Friends and supporters who contribute \$100 or more to our Foundation will receive an autographed copy of my book, "Lessons in Leadership." It's just a token of my appreciation for your concern and love for Washington and your determination to make a decisive difference in our state's future.

#27
3 EXHIBIT
of 12

PERSONAL REPLY TO
DINO ROSSI, PRESIDENT



FROM:

/title/ /first/ /last/
/address/
/city/, /state/ /zip/
/barcode/

I AGREE, DINO! LET'S STRENGTHEN OUR BUSINESS CLIMATE
AND IMPROVE OUR EDUCATIONAL SYSTEM. I'LL BECOME A CHARTER
MEMBER OF THE "FOWARD WASHINGTON FOUNDATION" WITH MY
CONTRIBUTION OF:

#amt1 \$amt2 \$amt3 \$ Other



YES! I'M CONTRIBUTING \$100 OR MORE TO THE
"FORWARD WASHINGTON FOUNDATION." PLEASE SEND
ME A COPY OF YOUR BOOK AND AUTOGRAPH IT TO:

PLEASE MAKE CHECK PAYABLE TO FORWARD WASHINGTON FOUNDATION 14725 NE 20TH STREET, SUITE #D-41, BELLEVUE, WA 98007.
THE FORWARD WASHINGTON FOUNDATION IS A NON-PARTISAN, NON-PROFIT 501(C)4 ORGANIZATION REGISTERED WITH THE INTERNAL REVENUE
SERVICE. BOTH PERSONAL AND CORPORATE CONTRIBUTIONS, IN ANY AMOUNT, MAY BE RECEIVED. FOR MORE INFORMATION VISIT OUR
WEBSITE @ WWW.FORWARDWASHINGTON.ORG, OR CONTACT US BY PHONE AT (425) 644-7753. SEE REVERSE FOR IMPORTANT INFORMATION.

4
EXHIBIT
of 12 #27

CONTRIBUTIONS TO THE FORWARD WASHINGTON FOUNDATION ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS FOR FEDERAL INCOME TAX PURPOSES.

TO MAKE YOUR CONTRIBUTION SECURELY ONLINE, PLEASE GO TO WW.FORWARDWASHINGTON.ORG. SEE BELOW TO CONTRIBUTE BY CREDIT CARD.

TO CONTRIBUTE BY CREDIT CARD, PLEASE PROVIDE THE FOLLOWING INFORMATION:

TYPE OF CARD: VISA MASTERCARD DISCOVER AMERICAN EXPRESS

NAME (as it appears on card): _____

CARD #: _____

"V" CODE (3-digit code usually located on back of card by signature): _____ EXP. DATE: _____

AMOUNT: \$ _____ SIGNATURE: _____

TO HELP US KEEP YOU INFORMED ON THE FOUNDATION'S EVENTS AND DEVELOPMENTS ON IMPORTANT ISSUES FACING OUR STATE, PLEASE PROVIDE THE FOLLOWING:

HOME PHONE: _____

WORK PHONE: _____

E-MAIL: _____

OCCUPATION: _____

EMPLOYER: _____

PAID FOR BY THE FORWARD WASHINGTON FOUNDATION, 14725 NE 20TH STREET, SUITE #D-41, BELLEVUE, WA 98007. FOR MORE INFORMATION VISIT OUR WEBSITE @ WWW.FORWARDWASHINGTON.ORG, OR CONTACT US BY PHONE AT (425) 644-7753.

5
EXHIBIT
of
12
#27

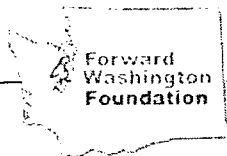


DINO ROSSI, PRESIDENT

14725 NE 20TH STREET, SUITE #D-41
BELLEVUE, WA 98007
WWW.FORWARDWASHINGTON.ORG

/title/ /first/ /last/
/address1/
/address2/
/city/. /state/ /zip/

6
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of
12
#27



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/city/, /state/ /zip/

Dear /Salutation/,

Washington is a remarkable state filled with every opportunity in the world. Attracted by our breathtaking beauty and friendly hospitality, vacationers who visit our home state try to figure out how they can stay here.

Our citizens are endowed with an entrepreneurial instinct and a work ethic that knows no bounds, but the fact is, **state government is fighting us every step of the way.**

Instead of asking, "How can we help you succeed?", the state government and the Olympia bureaucrats are torturing us with tax hikes and spending spikes that have resulted in inefficient, ineffective government that lacks any semblance of priority.

Is it any wonder that Olympia's failures have made Washington the 14th most expensive state in which to do business? Washington based **businesses are burdened by a Business and Occupation Tax on gross receipts and are saddled with the highest unemployment insurance rates in America.** Should we be surprised that with 36 other states being less expensive for business, so many businesses are choosing not to locate in Washington state or to leave our state after years of service?

What's more, Washington has one of the highest small business failure rates in the nation and /Salutation/, that's one area where we definitely don't want to be at the top of the list!

And when it comes to death taxes, if it weren't so sad it might be funny; if you run a family business, it's better to die in California or just about any state other than Washington.

The instant the state government reinstated the Estate Tax – the so-called "Death Tax" – in 2005, it hurt everybody. The reality is, when people can't afford to pass on their businesses, they sell out, letting long-time employees go. Not because they want to, but because they have to. And that causes a ripple effect through the entire community.

And Olympia's out-of-control spending is heading our state on a fast track to a very steep cliff.

(Over, Please)

#27
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of

For some politicians Rule # 1 seems to be that the easiest way to gain favor and get re-elected is to give somebody something.

Applied in Washington, that political truth has resulted in a 17.4% spending increase, a vanished surplus, a deepened deficit, salary spikes for government employees, tax hikes for the rest of us and a raft of legislation that will have Washingtonians reeling for decades to come.

As alarming as the crisis is now, consider this:

Washington State has benefited from the national economic boom so state revenues are up 10%. **Think of the predicament we'll be in – when, not if – the economy flattens!**

I have established the "**Forward Washington Foundation**" to focus on issues such as improving the business climate - especially for small and medium-sized businesses, responsible state budgeting, accountability in state government and protecting the poor and the vulnerable.

Right now we're interviewing storeowners, entrepreneurs, manufacturers, realtors, bankers, accountants and others to discover what it's like dealing with state government's bureaucrats and regulators.

I'll never forget what Darlene Johnson of Woodland Trucking told me, "**I'd rather deal on a daily basis with the IRS than a state agency.**"

We'll seek out the multitude of businesses who have fled Washington's **harsh and hostile regulatory climate and** relocated out of state and we're listening to them about the changes we need to make to bring them back.

Over and over again, we're hearing horror stories about the lack of common sense in state government and the lack of common sense in its economic and fiscal policies.

When state government promises NOT to raise taxes and then DOES it anyway...

When it blows through the largest surplus in state history without blinking an eye...

That endangers our future and it offends the sensibilities of business owners and taxpayers alike.

Many folks we've talked to like Initiative 601 that was passed by Washington's voters in 1993 (and then callously dismembered by the Olympia crowd).

(Next Page, Please)

Initiative 601 limited spending and that set off a chain reaction that required state government to set priorities and implement sound budgeting policies.

Every business owner knows that you must establish a "**Rainy Day Fund**" for emergencies and our Forward Washington Foundation is convinced that Olympia must do the same.

It's important enough to our state's future that we should enshrine that "Rainy Day Fund" in our state's constitution. That's another important way we can limit government's careless spending, reckless budgeting and relentless taxing.

There's so much more we can do to improve the business climate in Washington; eliminating job-killing mandates, getting rid of business-destroying taxes, empowering entrepreneurs, bringing competition to bear to drive down health care insurance costs, and more.

You'd better believe that the Forward Washington Foundation will be leading the way, driving the agenda, promoting pro-business, pro-education ideas and doing all we can to change the culture in Olympia.

Right here and now, we need your financial leadership.

Because we are a non-partisan and non-profit 501(c)4, there is no limit to the amount individuals or corporations can contribute.

Your Charter Member check will spur our group forward and set the wheels in motion for a better Washington.

Washington needs your help to fulfill her potential.

As I was growing up, the youngest of seven kids living on an elementary schoolteacher's salary, we drank powdered milk. In fact, I thought everybody did!

I wanted to go to college in the worst way so I worked as a janitor and waxed the floors at the Space Needle to pay for my tuition and books so I could earn my business degree from Seattle University.

When I came home from nine months touring Southeast Asia, my brother gave me the title to his beat-up car and said if I could get it to start, I could have it.

As an aspiring commercial real estate salesman I worked selling properties by day and doing janitor work at night.

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Page Four

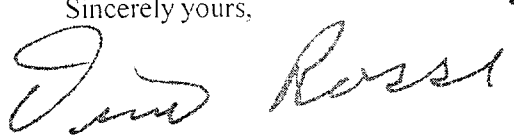
Through it all, I've encountered more than my fair share of naysayers. you know the type, they're the ones who tell you what you can't do.

They're the ones who are telling us that Olympia will never change. state government can't be efficient. out-of-control spending and skyrocketing taxes are inevitable.

Let's prove them wrong!

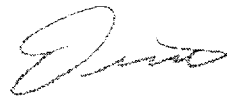
Invest in good government. Join us as a Charter Member. write your generous check and launch our Forward Washington Foundation today.

Sincerely yours,



Dino Rossi, President
Forward Washington Foundation

*Thanks so much for your
friendship. Your support of
our Foundation will truly
make a difference.*



PLACE
39-CENT
STAMP
HERE

DINO ROSSI, PRESIDENT
FORWARD WASHINGTON FOUNDATION
14725 NE 20TH STREET, SUITE #D-41
BELLEVUE, WA 98007

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of 12



DINO ROSSI,
PRESIDENT

14725 NE 20TH STREET
SUITE #D-41
BELLEVUE, WA 98007

WWW.
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ORG

Will you help me offer the leadership, fiscal discipline
and common-sense our state so desperately needs?

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of
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#27

EMF Political Masterfile Mailing List

These conservative donors have supported the rights of law enforcement officers, veterans rights and assistance, senior citizens rights and benefits, individual responsibility, decreased taxes and less government spending.

[Get More Information](#) [Get a Price Quote](#)

SEGMENTS		COUNTS THROUGH 10/01/2007
314,550	TOTAL UNIVERSE / BASE RATE	\$100.00/M
314,550	\$5 +, LAST 36 MONTH DONORS	\$100.00/M
213,546	\$5 +, LAST 24 MONTH DONORS	\$105.00/M
120,962	\$5 +, LAST 12 MONTH DONORS	\$110.00/M



DESCRIPTION

These conservative donors have supported the rights of law enforcement officers, veterans rights and assistance, senior citizens rights and benefits, individual responsibility, decreased taxes and less government spending.

They are highly direct mail responsive with an average gift of \$20 !

This is a HOT list for 2007 and should be on every mail plan targeting a traditional senior American. Mail dates book fast so call today!

USAGE FOR EBERLE'S MASTERFILE

Tests: Last 12 Months Continuations: Last 12 Months

- | | |
|-------------------------------------|-----------------------------------|
| Adam Taff for Congress | Americans for Jeb Bush |
| Alliance for Marriage | Arizona Republican Party |
| American Conservative Union | Betty Montgomery/OH State Auditor |
| Bob Barr for Senate | Chambliss for Senate |
| Bunning Victory Committee | Dewhurst for Lt. Governor |
| Congressman Bob Barr | Evergreen Freedom Foundation |
| Congressman Ed Bryant for Senate | McClintock for Controller |
| Congressman John Sullivan | Mitt Romney Victory 2002 |
| Congressman Phil English | National Rifle Association |
| Congressman Randy Forbes | Newsmax Magazine |
| Craig for Senate | Parents Television Council |
| Dole 2002 Committee | Republican Party of Florida |
| Forrester for Senate | Republican Party of Texas |
| Friends of Katherine Harris | State Republican Parties |
| Georgia Republican Party | |
| Henry J. Hyde for Congress | |
| Herbert Hoover Presidential Library | |
| Marilyn Musgrave for Senate | |

POPULARITY:	***** 98
MARKET:	CONSUMER
MEDIUM:	<input type="checkbox"/> mail
SOURCE:	DIRECT MAIL SOLD
GEO:	DOMESTIC (US)
GENDER:	40% FEMALE 50% MALE

SELECTS	
DOLLAR (\$10+)	\$10.00/M
GENDER/SEX	\$5.00/M
SCF	\$5.00/M
STATE	\$5.00/M
ZIP	\$5.00/M

ADDRESSING	
KEY CODING	PLEASE INQUIRE
EMAIL	\$25.00/F
MAG TAPE	\$75.00/F

HIGHLY CORRELATED LISTS	
<input type="checkbox"/>	NOVA LIST MASTERFILE
<input type="checkbox"/>	CONSERVATIVE GOP DONOR DATABASE
<input type="checkbox"/>	NATIONAL REVIEW - ACTIVE U.S. SUBSCRIBERS
<input type="checkbox"/>	FLAG WAVING REPUBLICAN DONORS
<input type="checkbox"/>	HERITAGE FOUNDATION DONORS
<input type="checkbox"/>	NEWSMAX MAGAZINE
<input type="checkbox"/>	FREEDOMWORKS
<input type="checkbox"/>	VIGUERIE POWERHOUSE & GOP DONORS
<input type="checkbox"/>	OMEGA CANDIDATE MASTERFILE
<input type="checkbox"/>	CONSERVATIVE FREEDOM DONORS

Mike Rogers for Congress
Mooney for Senate
North Carolina Victory Committee
Ohio Republican Party
Pennsylvania Republican Party
Rackowski for Senate
Republican National Committee
Republican Party of Kentucky
Save Jerusalem
Sessions for Senate
Shallenburger for Governor
Tom Galisano for Governor
Van Hilleary for Governor
Virginia Institute for Public Policy
Wisconsin Republican Party

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- PLEASE INQUIRE ABOUT REUSE
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Any questions? Call (603) 643-1307 or email support@nextmark.com

FORWARD WASHINGTON FOUNDATION EXPENDITURES

DATE	PAYEE	AMOUNT	COMMENT
4/11/07	ABC Printing	\$143.09	#36491
5/1/07	Forward Books	\$2,001.22	128 books for c . . . - gifts for contrib
7/14/06	ABC Printing	\$552.84	card & station
6/28/06	Mary Lane	\$123.00	conference, car . . . Wa pol center
6/22/07	Special Olympics	\$1,000.00	contribution fo . . .
4/3/07	Steve Brown	\$1,882.20	copy writing - #7068 creative . . .
1/25/07	Pinnacle List Co / Pinnacle Direct	\$5,052.87	direct mail cost - Steve Brown M . . .
4/16/07	Pinnacle List Co / Pinnacle Direct	\$2,824.91	direct mail costs - buy lists
1/25/07	Pinnacle List Co / Pinnacle Direct	\$9,279.90	direct mail costs - direct mail
8/9/06	Mary Lane	\$155.00	frames
2/28/07	Forward Books	\$745.11	gifts for cont - gifts for . . .
8/4/06	Forward Books	\$1,876.15	gifts for contrib - books wholesale - Spokane Homebuilders Event
2/15/07	Forward Books	\$1,991.73	gifts for contributors - gifts to donors
8/1/07	Forward Books	\$531.58	gifts for donors
5/11/07	Ted Dahlstrom	\$458.12	indiv/business c . . .
4/3/07	ABC Printing	\$241.92	letterhead
6/12/06	Mary Lane	\$67.00	medical
7/16/07	Dino Rossi	\$1,138.56	mileage
7/16/06	Mary Lane	\$93.94	postage
3/14/07	Pinnacle List Co / Pinnacle Direct	\$5,270.16	postage shipping - 2nd mail
7/24/06	Mary Lane	\$101.52	posters
6/26/06	ABC Printing	\$502.97	print business c . . .
4/3/07	Pinnacle List Co / Pinnacle Direct	\$13,769.05	printing & copy - mailer #2 print . . .
5/14/07	Florentine Design Group	\$500.00	rebuild website
6/21/06	Mary Lane	\$719.97	reimb
6/26/06	Mary Lane	\$45.98	reimb
5/23/07	Brian Smith	\$248.00	reimb - postage for boo . . .
4/19/07	Brian Smith	\$165.81	reimb. For p . . .
2/12/07	Sarah Dorn	\$219.63	reimburse
3/14/07	Sarah Dorn	\$445.00	reimburse
5/4/07	Ted Dahlstrom	\$249.68	reimburse
7/24/07	Ted Dahlstrom	\$747.65	reimburse
7/13/06	Dino Rossi	\$94.86	reimburse - yakima red lion
4/25/06	Dino Rossi	\$2,133.00	reimburse computers
7/30/07	Timothy Kovis	\$2,759.92	Reimburse Idea . . .
7/9/07	Ted Dahlstrom	\$793.07	reimburse mile . . .
6/22/07	Ted Dahlstrom	\$488.24	reimburse mile . . . - reimburse mileage banner air ticket supplies
5/25/07	Ted Dahlstrom	\$396.36	reimbursement . . .
5/4/06	Forward Books	\$606.00	rent
6/7/06	Forward Books	\$606.00	rent
7/10/06	Forward Books	\$606.00	rent
8/9/06	Forward Books	\$606.00	rent
9/7/06	Forward Books	\$606.00	rent
10/5/06	Forward Books	\$606.00	rent
10/31/06	Forward Books	\$606.00	rent
1/5/07	Forward Books	\$681.76	rent
2/15/07	Forward Books	\$681.75	rent
2/28/07	Forward Books	\$681.75	rent
3/30/07	Forward Books	\$681.75	rent
5/1/07	Forward Books	\$681.75	rent
7/9/07	Forward Books	\$681.75	rent
8/1/07	Forward Books	\$681.75	rent
12/5/06	Forward Books	\$757.51	rent & increase
5/16/06	Dino Rossi	\$2,884.62	salary
5/16/06	Mary Lane	\$1,923.08	salary
5/30/06	Dino Rossi	\$2,401.26	salary

FORWARD WASHINGTON FOUNDATION EXPENDITURES

DATE	PAYEE	AMOUNT	COMMENT
6/1/06	Mary Lane	\$1,448.61	salary
6/12/06	Dino Rossi	\$2,401.26	salary
6/14/06	Mary Lane	\$1,448.61	salary
6/27/06	Dino Rossi	\$2,401.26	salary
6/28/06	Mary Lane	\$1,448.61	salary
7/1/06	Mary Lane	\$1,448.61	salary
7/13/06	Dino Rossi	\$2,401.25	salary
7/15/06	Mary Lane	\$1,448.61	salary
7/26/06	Dino Rossi	\$2,401.26	salary
8/1/06	Mary Lane	\$1,448.61	salary
8/4/06	Dino Rossi	\$2,401.26	salary
8/15/06	Mary Lane	\$1,448.61	salary
8/18/06	Dino Rossi	\$2,401.25	salary
9/1/06	Dino Rossi	\$2,401.26	salary
9/1/06	Mary Lane	\$1,448.61	salary
9/13/06	Dino Rossi	\$2,401.26	salary
9/29/06	Dino Rossi	\$2,401.25	salary
10/13/06	Dino Rossi	\$2,401.26	salary
10/27/06	Dino Rossi	\$2,401.26	salary
11/10/06	Dino Rossi	\$2,401.25	salary
11/24/06	Dino Rossi	\$2,401.25	salary
12/8/06	Dino Rossi	\$2,401.26	salary
12/8/06	Sarah Dorn	\$1,363.98	salary
12/22/06	Dino Rossi	\$2,401.25	salary
12/22/06	Sarah Dorn	\$1,363.98	salary
1/8/07	Dino Rossi	\$2,401.01	salary
1/19/07	Dino Rossi	\$2,405.00	salary
1/19/07	Sarah Dorn	\$1,364.84	salary
2/2/07	Dino Rossi	\$2,405.00	salary
2/2/07	Sarah Dorn	\$1,364.84	salary
2/16/07	Dino Rossi	\$2,405.00	salary
2/16/07	Sarah Dorn	\$1,364.84	salary
3/2/07	Dino Rossi	\$2,405.00	salary
3/2/07	Sarah Dorn	\$1,364.84	salary
3/20/07	Dino Rossi	\$2,405.00	salary
3/20/07	Sarah Dorn	\$1,364.84	salary
3/30/07	Dino Rossi	\$2,405.00	salary
3/30/07	Sarah Dorn	\$1,364.84	salary
4/13/07	Dino Rossi	\$2,405.00	salary
4/13/07	Sarah Dorn	\$1,364.84	salary
4/27/07	Dino Rossi	\$2,405.00	salary
4/27/07	Sarah Dorn	\$1,364.84	salary
4/27/07	Ted Dahlstrom	\$564.91	salary
5/11/07	Dino Rossi	\$2,405.00	salary
5/25/07	Dino Rossi	\$2,405.00	salary
5/25/07	Ted Dahlstrom	\$1,091.11	salary
5/25/07	Timothy Kovis	\$996.52	salary
6/8/07	Dino Rossi	\$2,405.00	salary
6/8/07	Ted Dahlstrom	\$1,091.12	salary
6/8/07	Timothy Kovis	\$996.53	salary
6/22/07	Dino Rossi	\$2,405.00	salary
6/22/07	Ted Dahlstrom	\$1,091.12	salary
6/22/07	Timothy Kovis	\$996.52	salary
3/30/07	Brian Smith	\$798.75	salary/wages
6/1/07	Brian Smith	\$420.00	salary/wages - 28 hrs datab . . .
11/24/06	Sarah Dorn	\$717.03	salary?

FORWARD WASHINGTON FOUNDATION EXPENDITURES

DATE	PAYEE	AMOUNT	COMMENT
1/8/07	Sarah Dorn	\$1,364.84	salary?
8/31/06	Mary Lane	\$404.99	-split-
6/1/07	Florentine Design Group	\$629.97	SS2_34
6/27/07	Florentine Design Group	\$300.00	SS2_44
5/16/06	Mary Lane	\$48.91	stamps, supplies
1/25/07	Steve Brown	\$1,013.00	Steve Brown M . . .
4/19/07	ABC Printing	\$131.53	Ted's Cards
6/16/06	Mary Lane	\$164.10	travel - hotel yakima
9/27/06	Florentine Design Group	\$269.93	web site fee - web host
7/31/06	Mary Lane	\$141.00	web site fees
5/14/07	Constant Contact	\$270.00	web site fees
3/14/07	Florentine Design Group	\$457.49	web site fees - "DecDir_6"
5/10/07	Florentine Design Group	\$1,200.00	web site fees 2007-ib1-1 Ide . . . - Idea Bank Website
		\$184,465.52	

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*ALSO ADMITTED IN OREGON
**ALSO ADMITTED IN CALIFORNIA
+ OF COUNSEL

GORDON A. LIVENGOOD (1921 - 2001)

July 30, 2007

Mr. Tony Perkins
Political Finance Specialist
Public Disclosure Commission
P.O. Box 40908
Olympia, W 98504-0908

Re: Forward Washington/Dino Rossi

Dear Mr. Perkins:

The complaint filed against Forward Washington reprises the question the Public Disclosure Commission addressed more than a decade ago in the Campaign for Washington matter. The question is, whether the term "political committee" is so broad that it encompasses organizations engaged in general debate on public policy issues. A review of publicly available facts, relevant cases, the PDC's own interpretations and its written statements to Forward Washington all show that Forward Washington is not a political committee under Washington law and that the allegations made do not warrant any further investigation. The complaint should be dismissed immediately.

The complaint is a bold act of political intimidation directed at those who disagree with governmental policy currently in favor in Olympia. The Public Disclosure Commission should decline the complaint's effort to use the Commission to harass critics of policy in Olympia. The U.S. Supreme Court has recently noted that subjecting groups which engage in political speech to extensive discovery itself, constitutes a severe burden on protected First Amendment rights. *FEC v. Wisconsin Right to Life*, 2007 Lexis 8515.

Participating in the debate over current and future governmental policy does not make Forward Washington a "political committee," but is instead core political speech under the First Amendment

Forward Washington's purpose is set forth in its organizational documents, and its application for exemption from tax filed with the Internal Revenue Service. The Foundation's purpose, as set forth in its articles of incorporation, is to improve the welfare of the people of Washington State, and

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Mr. Tony Perkins
Public Disclosure Commission
July 30, 2007
Page 2

making Washington a better place to live, work and do business. *Articles of Incorporation, Art III.*

Forward Washington's operations have been fully consistent with its express purpose. To accomplish those objectives, the

President and occasionally Executive Director will speak out and take positions on issues affecting state government. These will be issues that are or could be affected by the state legislature, Washington State governor and/or regulators in Washington state, and that deal with the welfare of Washington citizens (e.g., business climate, state budget, healthcare, education, programs for the poor and the vulnerable, state parks, tax policy, state government, transportation and so on).

Activity on the part of the foundation will take the form of speeches, statements to the media, forums, seminars and panel discussions, research into state government issues, mail and e-mail communications to state residents, occasional paid media advertising and communication via foundation web site. The purpose of these activities will be to convey the foundation's positions and ideas for improving state government policies and the welfare of Washington citizens. The President and occasionally the Executive Director will serve as spokesperson for the foundation when speaking on issues. Activities will be statewide.

Most of the foundation's time (approximately 75%) will be spent on these activities related to communicating and researching on state government issues.

The President and Executive Director will also meet regularly with community leaders (in the fields of business, non-profits, member associations, social services, etc.), to discuss state policies. The purpose of these contacts will be to share ideas and formulate new ideas on state-level issues.

The remainder of the foundation's time (approximately 25%) will be spent on these meetings with community leaders and on daily office administration.

The foundation will not engage in political campaign activities.

Enclosed are pages from Forward Washington's Web site:

1. Mission Statement (**Exhibit 1**);

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Mr. Tony Perkins
Public Disclosure Commission
July 30, 2007
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2. December 2006 archive (**Exhibit 2**);
3. January 2007 archive (**Exhibit 3**);
4. February 2007 archive (**Exhibit 4**);
5. March 2007 archive (**Exhibit 5**);
6. May 2007 archive (**Exhibit 6**);
7. Forward Washington Home Page as of June 25, 2007 (**Exhibit 7**);
8. Contribution Page for Forward Washington (**Exhibit 8**);
9. Forward Washington Links Page (**Exhibit 9**); and
10. Forward Washington Biographical Pages of Offices, Board Members and Advisors (**Exhibit 10**).

No campaign information or discussion of election campaigns is included in Forward Washington's Web site. Forward Washington does not link to any partisan organization or political campaign. Instead, the links are to like-minded public policy groups, the state legislature and the American Legislative Exchange Council.

The Forward Washington fund raising letter attached to the complaint contains no reference to election campaigns, any elected official nor to any political party. The communication does relate directly to governmental policy and issues. The letter rebuts, rather than supports the complaint's allegations.

The complaint direct's the Commission's attention to some, but not all, of the persons involved with Forward Washington. One of the advisers to Forward Washington is Senator Sheldon, a Democratic member of the state legislature. Forward Washington's recent program, the Idea Bank, originated with a former adviser to Governor Ray, Lou Guzzo, a Democrat. *See* May 23, 2007, *Seattle Post-Intelligencer*, article attached as **Exhibit 11**.

At about the time of its establishment, Forward Washington contacted the Public Disclosure Commission to ascertain its filing obligations with the Public Disclosure Commission, including an e-mail exchange on May 4, 2006. **Exhibit 12**. Mr. Rossi's role with Forward Washington was known to the PDC. This exchange is long after the filing of the Rossi '08 C-1 form. Forward Washington has conducted its affairs as disclosed, and in reliance on the PDC's advice that Forward Washington would not thereby become a political committee. The complaint alleges no fact that was not before the PDC when Forward Washington was formed.

Dino Rossi is not a candidate for governor

Not only are Forward Washington's activities directly related to issues of public importance, rather than any election campaign, Dino Rossi is not a candidate for any public office. Since the close

Mr. Tony Perkins
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of the election contest in 2005, Mr. Rossi has made clear that he is not a candidate, and will make a decision whether to become a candidate some time later this year. Rossi '08 was formed in December '08 after consultation with PDC staff, and was related to the ongoing dispute over the 2004 election results, and whether Dino Rossi was Washington's governor, and for payment of contingent compensation from the 2004 campaign. PDC staff, including Kurt Young and Susan Harris had a series of conversations with Afton Swift in December 2004, and advised that a 2008 committee would have to be established. The relationship to 2008 was whether Mr. Rossi was the incumbent governor or not. Once the judge issued his decision in the election contest case, Rossi '08 began winding down, and conducted no other activity beside winding down and paying accrued debts.

On July 2, 2005, the *Seattle Post-Intelligencer* reported, "As for the widespread assumption that he will gird for a new race against Gregoire, 'I'm not making any commitment to that,' [Rossi] said in the TVW interview. In the AP interview, he declined to assign odds. 'I'll have to make that assessment some time in '07 - is it right for my family?'" **Exhibit 13.**

On October 8, 2005, an AP wire story reported on Dino Rossi's planned book noting "Rossi has a chapter on his future but won't discuss it before publication. He does restate what he said in previous interviews, that he won't decide until 2007 whether to sign up for a rematch with Gregoire. And he said he plans to stay involved in politics, either in private life or public office." **Exhibit 14.** The article also makes explicit mention of Mr. Rossi's plans to start "Forward Washington Foundation, a 501-C4 group that will use private dollars to work on issues he espoused in his campaign . . . Lane will be executive director and Rossi will be president." Forward Washington was and is separate from any campaign for public office in Washington by any person. On October 24, 2005, the *Columbia Basin Herald* reported,

For now, Rossi himself is staying out of politics. But he has formed the Forward Washington Foundation with Rossi spokeswoman Mary Lane that will look toward advocating issues he believes in like improving the business climate and lawsuit reform.

He hasn't ruled another run for office in or out, and says he'll make that decision in 2007. That decision he said will be based on if it is in the best interest of his family and another factor.

"Are the skills that I have," he said, "are they the needs of the state of Washington at this point in time." **Exhibit 15.** (Forward Washington was not yet formed, but was planned at the time of the article).

In a March 12, 2007 article, the *Seattle Post-Intelligencer* reported on Mr. Rossi's speaking

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schedule, book and campaigning for Republican candidates, but noted, “. . . like all potential candidates who announce nothing until they’re ready, Rossi says - - and his friends believe - - that he truly hasn’t decided whether to run and won’t until later this year.” In 2005, Mr. Rossi said he would have to “gauge his chances as well as the effect another campaign would have on his wife and four children. ‘It’s not a casual decision when you’re 14, 16 hours a day away from your family . . .’” **Exhibit 16.** Similarly, the Associated Press reported on May 23, 2007 that Mr. Rossi expected to “announce in December whether he’ll seek a rematch with Gov. Chris Gregoire next year . . .” **Exhibit 11.**

It is clear that speculation over a potential candidacy by Mr. Rossi in 2008 is widespread. In the May Associated Press interview, the *Seattle Post-Intelligencer* reported Rossi as stating, “People will read into anything they want no matter what you do.” As the state complaint shows, some believe that Mr. Rossi will be a candidate. Others, including Democratic political consultants, disagree. A May 30, 2007 article in the *Seattle Weekly* includes comments from Democratic fund-raiser Colby Underwood that the fact that “Rossi isn’t raising money - and shows no sign that he plans to start any time soon - shows that there’s a real question of whether he plans to run or not.” The *Seattle Weekly* article indicates that Mr. Rossi’s refusal to decide on whether to run for office until later this year frustrates potential supporters. **Exhibit 18.**

The June 11, 2007 article from the *Tacoma News Tribune*, including the quote referenced in the complaint makes clear that Mr. Rossi has not declared himself a candidate or decided whether to be a candidate. The article also even makes clear that Mr. Rossi even declined to discuss the incumbent’s job performance.

At the Idea Bank forums sponsored by Forward Washington, the question whether Mr. Rossi would run has come up. For example, the June 15, 2007 *Columbian* reported, “Rossi says he won’t announce until December whether he will run.” **Exhibit 19.** At the Longview Idea Bank forum, *The Daily News* reported again that “Rossi said he is not a declared candidate for the 2008 gubernatorial race and won’t announce until December whether or not he will run.” **Exhibit 20.**

**Shorn of its conclusory accusations, the complaint alleges no facts
that warrant further investigation**

The complaint asserts that there was a relationship between the filing of the last PDC report for the Rossi ‘08 Committee and the formation of Forward Washington. As the October 2005 news articles indicate, the establishment of the Foundation was planned several months before. Further, the Rossi ‘08 Committee existed for the purpose of conducting activity related to the gubernatorial recount litigation. Substantial activity by the Committee ceased with the trial court’s upholding of the results of the third recount. From that point on, the Committee was winding up only.

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The assertion in paragraph 7 of the complaint that speaking out on public policy matters is “functionally indistinguishable to [*sic*] that of a gubernatorial candidate,” is not correct as a matter of fact or law. Similarly, the fact that Forward Washington pays its president and its executive director salaries do not make it a political committee. Nor does the fund raising letter to donors that advises them they may give as much as they want to Forward Washington make it a political committee or Mr. Rossi a candidate. The assertions in paragraph 9 of the complaint that the reporter thought Mr. Rossi was “generally acting like a candidate,” do not make him one. As referenced above, even some Democratic political operatives view Mr. Rossi’s conduct as inconsistent with being a candidate.

Considering that the Democratic Party has had a film crew shadowing Mr. Rossi at Forward Washington events before filing the complaint the complete lack of any indication from *Mr. Rossi* that he is a candidate is particularly telling. See **Exhibit 19**. (*Columbian* article from June 15)

The assertions in the complaint are also contrary to applicable law. AGO 1973 no. 14 makes clear that a political committee is only an organization “whose primary purpose is to attempt to influence elections.” The Attorney General Opinion notes that a reading of the definition that is not restricted to groups whose “primary purpose” is to influence election campaigns the statute would require “that any corporation or other organization which made a political contribution would thereby have to disclose all of its financial dealings . . . [and] . . . would contravene the well-established rule of statutory construction that absurd constructions are to be avoided whenever possible.” In *State v. Evans*, 86 Wn. 2d 503, 509 (1976), the state Supreme Court indicated that the test was “primary purpose or one of the primary purposes” of the organization.¹

In *Evergreen Freedom Foundation v. Washington Education Association*, the Court stated that the determination whether an organization is a political committee looks first to “an examination of the stated goals and mission of the organization and whether electoral political activity was a primary means of achieving the stated goals and missions during the period in question.” 111 Wn. App. 586, 599 (2002) *Review denied*; 148 Wn. 2d 1020 (2003). The stated goals and mission of Forward Washington do not have the making of expenditures on behalf of or contributions to any candidate for public office. Adoption of public policies that promote small business, education, economic growth Washington’s health, parks, transportation and protection of poor or otherwise vulnerable citizens does not require any intervention in campaigns for public office. Instead, the primary goals of the organization can be accomplished by educating legislators, regulators, community leaders and

¹ The complainant misstates the rule indicating that if any purpose of an organization is to influence campaigns that it is subject to registration and reporting. Complaint, p. 4, This is exactly the construction rejected by both the Attorney General’s office and the State Supreme Court. Such an interpretation sweeps well beyond the intended breadth of the statute and would raise over-breadth questions under the First Amendment. Even were the statement of the law correct, Forward Washington does not have as any of its purposes participating in electoral politics.

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the general public on the consequences of policy decisions. The Court then identified four factors it applied in testing whether the WEA was a political committee. The particular factors applied by the Court were:

1. The content of the stated goals and missions of the organization;
2. Whether the organization's actions further its stated goals and missions;
3. Whether the stated goals and missions of the organization would be substantially achieved by a favorable outcome in an upcoming election; and
4. Whether the organization uses means other than electoral political activity to achieve its stated goals and mission.

Id. at 600. Nothing in Forward Washington's activities involves discussion of any candidate for public office. The complaint alleges no express advocacy of the election or defeat of any candidate for public office.

Bare, unsupported assertions that an organization is a political committee should not warrant any further investigation by the Commission, lest its legitimate functions be overwhelmed. The sole purpose is to garner headlines, consume resources of groups with whom the complainant disagrees, and to assist in the complainant's own fund raising. The complainant and its political allies have used the specter of a potential candidacy by Dino Rossi as part of their fund raising drive for over a year. See **Exhibit 17** (*Seattle Post-Intelligencer* dated July 26, 2006). Whatever the motivation, the complaint simply provides no factual basis for the claims asserted and should be dismissed.

It would be premature to discuss interviewing Forward Washington board members or personnel, or producing any of its financial records before the PDC has had an opportunity to consider dismissal of the complaint.

Very truly yours,

LIVENGOOD, FITZGERALD
& ALSKOG, PLLC


John J. White, Jr.

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