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Politics Blog

PDC: Save Whatcom's 'layered' PACs OK

Posted by Ralph Schwartz on October 22, 2013

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To elaborate on **what I posted** on Friday, Oct. 18, Whatcom County Democrats have threatened to sue Whatcom First and Save Whatcom, the two conservative political action committees supporting certain County Council and Port of Bellingham candidates **using money from the coal industry**.

What concerned the Democrats, and what I focused on in my most recent post, was what Lisa McShane in an interview referred to as a "shadow PAC." Flyers from Whatcom First don't disclose the top five donors (the top four are in coal or coal exporting) because Save Whatcom collected all those donations, then turned around and donated almost all of the money (\$154,000) in one lump to Whatcom First.

"Groups supporting the proposed coal terminal at Cherry Point have set up political committees to deliberately hide \$154,000 from the public and in doing so, violated state law at least 12 times," McShane and county Democratic Chairman Mike Estes said in their press release on Friday.

"In trying to hide their money," the release continues, "they skirted compliant and reporting requirements."

Save Whatcom /Whatcom First does not say they support the coal terminal. Their mantra is "jobs and business growth." Nowhere on their literature do they mention coal -- but that's part of the problem, as Estes suggests in his "45-day letter" to the attorney general's office. The letter is official notice that a lawsuit could be filed in this case after 45 days, if the state doesn't take action.

"Coal" would be mentioned in Whatcom First's campaign flyers if only the group had properly listed its donors, Estes et al. say.

Public Disclosure Commission spokeswoman Lori Anderson was not perturbed by the information that Save Whatcom was a "shadow PAC" to veil the coal contributors.

"I don't think layering committees is skirting disclosure requirements. It's kind of a common practice," Anderson said. "There's nothing that says you can't layer the PACs. That's the whole point of the PDC's website."

If you start at Whatcom First and find the \$154,000 to that group from Save Whatcom, a search for Save Whatcom reveals the coal donors: Cloud Peak Energy, Global Coal Sales, Corbin and Barbara Robertson, and SSA Marine (who would build an export terminal at Cherry Point).

The 45-day letter, included in **my post about the Democrats' complaint**, outlines the 12 alleged violations of state law. None of them include formation of a "shadow PAC," because of course such PACs are not illegal. The Dem's press release lumps together what some might call a distasteful approach to financial reporting with what Dems say are straight violations of the law. They almost all deal with Save Whatcom/Whatcom First being late reporting expenses or donations.

As of today I haven't found expense reports for Whatcom First or Save Whatcom for the flyers they have been mailing to voters on behalf of County Council candidates Bill Knutzen, Kathy Kershner, Ben Elenbaas and Michelle Luke; and Port of Bellingham candidates Dan Robbins and Ken Bell. (If I missed them, someone let me know.)

Sometimes, these discrepancies get resolved when the committee corrects the mistake, and then the PDC doesn't pursue discipline, Anderson said. The next meeting during which the PDC commission can consider discipline in this case and other complaints filed from this county is in December.

In other words, whatever the status of this complaint and the others (Todd Donovan's accusation that state Republicans laundered money for BNSF and Pacific International Terminals for conservative candidates, and Chet Dow's complaint about Ken Mann's improper filing from 2009) won't be resolved until after the election.

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