



July 27<sup>th</sup>, 2017

Dear Attorney General Rosenblum and Secretary of State Richardson,

Last week, the Washington State Attorney General's office filed a campaign finance violation lawsuit against Service Employees International Union Leadership Council 14, or SEIU Washington Council. The suit alleges that SEIU Washington Council made over \$5 million in political contributions via its state council organization with funds that came to the organization by its members. SEIU is a member-based organization whose main source of income is member dues. The case filing describes violations that occurred when SEIU Washington Council aggregated those funds on behalf of its members, and directly spent them on political activity rather than routing those contributions and political activity through its member-based political action committee.

The case alleges that since SEIU Washington Council's money comes from its members, contributions made by SEIU Washington Council on behalf of its members should have been recorded in Washington State's forward-facing campaign finance website as contributions made by individual members, and not from SEIU's Council organization. The Washington State Attorney General's office claims in its lawsuit that funds organized and received by SEIU Washington Council should have been reported by a political action committee, with donations attributed to each SEIU member whose union dues were used for political spending by the Council.

For the court filing, please see the link below:

[http://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/Press\\_Release/Complaint-20170711\\_0.pdf](http://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/Press_Release/Complaint-20170711_0.pdf)

SEIU affiliates in Oregon operate in the same manner. SEIU has four active member-based political action committees: CAPE (PAC ID 33), COPE (PAC ID 4213), and SEIU Local 503, OPEU PAC (2102). These are the political action committees we believe generate funds via the additional contributions of its members.

However, SEIU affiliates contribute general dues paid by members and "fair share dues" paid by non-members to the political action committees of its member PACs, ballot measure and local issue PACs, and candidate PACs via the organizational arms of SEIU's Oregon Council, SEIU Local 503, SEIU Local 49, SEIU Local 503 OPEU, and SEIU Local 49 COPE. Legally, these political contributions must be reported as coming from individual members, otherwise, SEIU itself becomes a PAC. This was the situation in *State of Washington v. GMA*, Case No. 13-2-02156-8 (Nov. 2, 2016), where a court found that GMA qualified as a PAC because it received and spent money to oppose a measure, and that it failed to register as a PAC as required by Washington law. The court further found that GMA failed to file financial reports that disclosed the true source of funds that it received and spent opposing the measure.

In aggregate, Oregon SEIU affiliates which generate income via member dues have collectively distributed over \$11 million in political donations, none of which were properly attributed to the members who paid the dues used for the campaign contributions. Additionally, failure to report individual members as the true contributors is a flagrant violation of ORS 260.402 (Contributions in false name).

Oregon law requires PACs to record a contributor's name and other information. That data is then publicly forward-facing in ORESTAR, Oregon's state campaign finance database. One such example would be Farmers Employee and Agent PAC of Oregon (PAC ID 3396) where Farmers organizes its members and money that comes directly from an individual is reported as having come from the individual, not the company itself. SEIU, which collects money from its members and then spends the money on political campaigns via its councils, appears to be violating Oregon's campaign finance laws because SEIU is not properly recording the political contributions in Oregon's public campaign finance database.

We're asking that both the Secretary of State's Election Division and the Attorney General's Department of Justice open an inquiry into whether the Oregon SEIU affiliates have indeed violated campaign finance laws, as the Washington State Attorney General's office has done. Given that SEIU in Oregon has little to no revenue stream outside of the dues of its members, it would stand to reason that money collected from members and spent on political candidates, ballot and issue measures, and even returned to its own member PACs should be clearly recorded in ORESTAR, with the name and address of the true donors.

We'll look forward to a timely response in this matter. If indeed Oregon's SEIU affiliates have been operating in violation of our state's campaign finance laws, we'd like corrective action to take place immediately.

Sincerely,

Bill Currier, Chair  
Oregon Republican Party