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October 13, 2013

Phil Stutzman, Director of Compliance
State of Washington Public Disclosure Commission
711 Capitol Way Room 206
P.O. Box 40908
Olympia, Washington 98504-0908

Re: COURTNEY O'GRADY GREGOIRE – VIOLATION OF RCW 42.17A.555 AND
UNREPORTED CAMPAIGN CONTRIBUTIONS AND EXPENDITURES EXCEEDING THE
MAXIMUM LIMITS PROVIDED BY LAW

Dear Mr. Stutzman:

I am submitting to you a complaint regarding the violation of RCW 42.17A.555, which prohibits the use of public office or agency facilities in political campaigns. This complaint is regarding an ongoing violation that is probably affecting the outcome of the November 5, 2013 General Election. I believe this case requires an immediate and thorough investigation, as it may render the election void.

The Respondent is Commissioner Courtney O'Grady Gregoire, who is both the incumbent and a candidate for Port of Seattle Commissioner Position 2. She resides at 1555 Grand Ave, Seattle, Washington 98122. No other contact information is known.

In violating RCW 42.17A.555, I believe you will also find that Ms. Gregoire has accepted contributions from the Port of Seattle in excess of the limits for candidates imposed in RCW 42.17A.405. This is not a matter to be taken lightly, and is likely to require the taxpayers to spend millions of dollars on a special election. I urge you to subject Ms. Gregoire to the maximum civil penalty of three times the violation, between eight hundred thousand and seven and a half million dollars, under RCW 42.17A.750.

I have personally witnessed this violation multiple times between June 2013 and present. In addition, documents returned by the Port of Seattle, obtained by public disclosure requests, show the violations started no later than April 09, 2013 and have likely been happening for several months prior to that date. These records were received from and can be verified by Asia Linton, Public Disclosure Specialist at the Port of Seattle. Her office phone number is (206) 787-3392 and email is linton.a@portseattle.org. Finally, most of these violations occurred in a public area of the Sea-Tac Airport. Any traveler passing through the airport from April to Present can be considered a witness. I can provide the contact information for travelers on request.

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.

Thank you in advance for your assistance in this investigation. Please keep me apprised of progress and your determination on this matter.

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Statement of Facts

On April 9, 2013 from 9:30 AM to 10:00 AM at the Port Commission Office, Ms. Gregoire was involved in the production of an Airport Public Address Recording (Exhibit 1). Ms. Gregoire used Port of Seattle facilities and staff to produce a Public Service Announcement promoting her work on the century agenda at the Port of Seattle.

In the resulting recording (Exhibit 2A) her first words are: “And I’m Commissioner Courtney Gregoire. Welcome to Sea-Tac Airport.” This makes it immediately clear to the listener that they are hearing from Ms. Gregoire and that she is the incumbent Port Commissioner. The recording then goes on to talk about the great job Ms. Gregoire and one of her fellow commissioners have been doing improving the economy at the port.

In my experience with the port, I have found that the economy and the environment are the most important issues to voters in the Port of Seattle's district. In addition, I believe the tone of the recording suggests that it is a campaign advertisement. Even if there is doubt about the nature of these recordings as campaign advertisements, state law is clear on the matter in RCW 42.17A.575:

“No state-elected official or municipal officer may speak or appear in a public service announcement that is broadcast, show, or distributed in any form whatsoever during the period beginning January 1st and continuing through the general election if that official or officer is a candidate.”

The law clearly prohibits the use of a public service announcement like the one produced for Ms. Gregoire. I can think of no reason for the production of a public service announcement that can not be used, unless it was produced as a campaign advertisement.

As is noted in Ms. Gregoire's agenda (Exhibit 1), this is a “Airport Public Address Recording”. Immediately after their production, these recordings were put into use. They are being played eight times per hour at the Sea-Tac airport (Exhibit 3). Not only were the port facilities used to produce the advertisement, they are being used to distribute the campaign materials. This is a use of public facilities and violation of RCW 42.17A.555.

The Port of Seattle has leased all rights for advertising and promotions at the Sea-Tac Airport to Clear Channel Outdoor, Inc. dba Clear Channel Airports (Exhibit 4). All advertising is controlled by Clear Channel, and use can be purchased from them. As the Port of Seattle has leased all advertisement rights to Clear Channel, either this space was stolen by the Port of Seattle, or an unreported campaign contribution and expenditure must have occurred to pay Clear Channel for the use of this space.

I contacted Blaine Shepherd, General Manager at Clear Channel Airports, who can be reached at (206) 494-4166. He informed me that they currently do not offer audio advertisements at the airport, and that the closest product they sell is video advertisements in baggage claim (Exhibit 5). This advertising only covers a part of the baggage claim area, and would completely miss the frequent local business travelers who do not check bags. I believe this group includes a large number of voters and potential campaign

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contributors, significantly increasing the value of the advertising received by Ms. Gregoire. In addition, the best advertising available from Clear Channel is video only, with no audio component. It is much easier to ignore than the airport public address system, which routinely includes messages of importance. I can only conclude that the advertisement played over the public address system is of significantly more value than anything commercially available and would likely require a blanket contract with the airport at a cost of \$416,666.67 per month or \$2,500,000 over the six month period the advertisement has been playing (Exhibit 6).

If another candidate was to purchase the closest available advertising in the baggage claim area, it would require the purchase of 6 advertising units per month at \$7,500 each. This comes to a total of \$45,000 per month, or \$270,000 over the same 6 month period (Exhibit 7). Even in this case, there is a gross violation of campaign finance regulations. According to the Public Disclosure Commissions own records, the most ever spent on a Port of Seattle commissioner campaign was \$365,680.86 in 2011 (Exhibit 8). Even with this low valuation, it comes to almost three quarters of the largest amount ever spent on a port commissioner race.

Summary of Exhibits

Exhibit 1: Extract from Port of Seattle calendars.

This exhibit was received in response to Port of Seattle Public Records Request 13-196 on September 9, 2013. It includes specific days from the port commissioners calendars. Of interest in this case is page 3, which show the meeting at which Ms. Gregoire made recordings in port facilities.

Exhibit 2A: Recording of Mr. Albro and Ms. Gregoire

This exhibit was received in response to Port of Seattle Public Records Request 13-196 on September 19, 2013. It is an audio recording of Mr. Albro and Ms. Gregoire. The transcript follows:

Tom: Hello, I'm Port of Seattle Commissioner Tom Albro.

Courtney: And I'm Commissioner Courtney Gregoire. Welcome to Sea-Tac Airport.

Tom: As a part of our Century Agenda, a 25 year vision for the region, we are determined to make Washington a preferred destination for international travelers, and to strengthen access to global markets for Northwest businesses.

Courtney: From apples and salmon to airplanes and software, our region benefits from international trade.

Tom: And all over the world people recognize the Pacific Northwest as a beautiful place to visit and do business. We're glad you're here!

Exhibit 3: Skybridge playlist

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This exhibit was received in response to Port of Seattle Public Records Request 13-196 on September 19, 2013. It is a schedule showing that the recordings in exhibits 2A are to be played at the airport entrance sky-bridges 8 times per hour. Other recordings to be played include other commissioner advertisements (24 times per hour), a security announcement (4 times per hour), light-rail announcement (4 times per hour), and Quincy Jones advertisement (2 times per hour).

Exhibit 4: Lease Agreement with Clear Channel

This exhibit was received in response to Port of Seattle Public Records Request 13-218 on October 9, 2013. It is titled “Lease And Concession Agreement For Advertising And Promotions” and is the lease agreement giving Clear Channel exclusive rights to advertisements at the airport.

Exhibit 5: Clear Channel Advertising Request

This exhibit is an email I received from Blane Shepard at Clear Channel on September 13, 2013. The attachment is Exhibit 7. The relevant text is as follows:

We do not have the capability to run :30 audio video. We do have static (.jpg) or motion (.swf) capabilities – however that we sell in increments of :10. I will attach an example of what they look like.

Exhibit 6: Port of Seattle revenue from Clear Channel

This exhibit was received in response to Port of Seattle Public Records Request 13-218 on October 9, 2013. It contains the revenue share that the port has received from Clear Channel every month in 2013. It shows that Clear Channel has fallen significantly short of the minimum revenue every month, and as a result has paid the port the contractual minimum of \$416,666.67 per month.

Exhibit 7: Clear Channel Pricing Sheet

This exhibit is an email I received from Blane Shepard at Clear Channel on September 13, 2013. It shows that advertisements in baggage claim run \$7,500 for a for month long unit. Each unit is ten seconds every four minutes. The advertisements do not cover 5 of the baggage claim carousels.

Exhibit 8: WILLIAM L BRYANT PDC report

This exhibit is a printout I made from the Public Disclosure Commission's website on October 13, 2013. It shows that William L Bryant raised \$366,004.09 and spent 365,680.86 in is 2011 port commission race.

Conclusion

Given the presented facts and exhibits, I feel it is appropriate for the Public Disclosure Commission to review the actions of Courtney O'Grady Gregoire in order to determine whether she:

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1. Misused public resources in the production and distribution of a campaign advertisement, in violation of RCW 42.17A.555.
2. Received unreported contributions and made unreported expenditures in violation of RCW 42.17A.405 and other laws.

If the commission finds that Ms. Gregoire did indeed violate one or more of these campaign finance regulations, I urge you to impose the maximum penalty authorized under RCW 42.17A.750: Ten-thousand dollars for each recording session, plus three times the value of the illegal campaign advertising. In addition, I urge you to immediately forward your findings to the state attorney general so the election may be held void and a special election held, as this violation probably affected the outcome of the current election.

Certification

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.

Sincerely,



Andrew Pilloud

Exhibits: 8 <http://andrew.pilloud.us/sites/andrew.pilloud.us/files/PortOfSeattle2013-10-13Exhibits.zip>

cc: John Naubert, Port of Seattle Commissioner Candidate
Emily Heffter, Seattle Times
Jeff Burnside, KOMO 4 News
Jeff Dubois, KIRO 7 Eyewitness News
Glen Morgan, Freedom Foundation
Elly Snow, Washington Coalition for Open Government
Bob Ferguson, Washington State Attorney General
<http://andrew.pilloud.us/blog/2013/10/13/port-seattle-millions-public-dollars-funneled-incumbents-campaigns>