



**STOP TIM EYMAN'S
PROFIT MACHINE**

NO ON I-517

Analysis and background of Initiative 517 for
reporters and interested citizens

January 3rd, 2013

Report prepared by

Permanent Defense

FIGHTING RIGHT WING INITIATIVES AND OPPOSING TIM EYMAN

A project of the Northwest Progressive Institute

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What the measure would do

Short summary of the initiative's provisions

- **Initiative 517 would double the period of time permitted for signature gathering for an initiative to the people**, allowing Tim Eyman and his associates, Jack Fagan, Mike Fagan, Edward Agazarm and Roy Ruffino to make collecting signatures for initiatives to the people a more profitable and lucrative year-round business.
- **Initiative 517 attempts to prevent Washingtonians from exercising their First Amendment freedoms of speech and assembly** in a "Decline to Sign" campaign by making it a misdemeanor to maintain an "intimidating presence" within "twenty-five feet of any person gathering signatures or any person trying to sign any initiative or referendum petition".
- **Initiative 517 dubiously requires leaders of cities, counties, and other local jurisdictions that provide for their own initiative process** to place any initiative with sufficient voter signatures on the ballot for a public vote at public expense, even if the initiative in question concerns a matter that exceeds the lawful scope of the local initiative power.

What I-517 is really about

I-517 is the latest and best example of Tim Eyman trying to help himself

Nearly eleven years ago, Tim Eyman called up the Associated Press' David Ammons on a Sunday night and confessed to having taken more than \$150,000 of his own supporters' donations for his personal use... and then lying about it for months. "This entire charade was set up so I could maintain a moral superiority over our opposition, so I could say our opponents make money from politics and I don't," Eyman told Ammons.

In another fleeting moment of honesty during that interview, Eyman revealed that his ambition was to not only continue running his initiative factory, but profit from it. He told Ammons: **"I want to continue to advocate issues and I want to make a lot of money doing it."**

In Eddie Agazarm, Eyman has an comrade who also revels in the prospect of profiting from initiative campaigns. In an email to petition crew chiefs on April 18th, 2012, Eddie wrote:

Somebody said that they'd have to be asking their people to work I-517 for free.

That is definitely not the case as ALL petitioners and ALL managers will get paid very handsomely once I-517 passes. Think of the extra money we ALL make when we can work big turf ALL the time. **Think of the money we can ALL make when we have petitioning year round.** Think of all the extra petitions we can carry. Oh... we are gonna get paid for sure.

The aim of I-517 is to make it easier and cheaper for Tim Eyman to run initiatives, and for people like Eddie Agazarm to exploit people who make a living circulating petitions. Consider Initiative 1185, from last year. We can see from looking at PDC records that more than \$1.2 million was spent by the campaign. Of that, \$1,173,324.99 went to Citizen Solutions. But how much did the signature drive really cost? We know from the testimony of Miles Stanley and Steve Berdick that petitioners were being paid \$1.00 a signature by Rob Harwig, Citizen Solutions' main subcontractor – ultimately, seventy-five cents for a I-1185 signature and twenty-five cents for a I-517 signature. The Secretary of State reported that 320,003 signatures were submitted for I-1185. If we round up the average amount paid per signature to \$1.25 and multiply by 320,003, we get \$400,003.75. **What happened to the rest of the \$1,173,324.99? Where did it go?** We know it didn't go to the workers who gathered signatures outside of shopping malls, stadiums, and ferry terminals. We can only conclude it ended up in the pockets of people like Eddie Agazarm and Tim Eyman.

Things to be aware of and ask about

A rundown of major discrepancies, issues, and unanswered questions

- **Impossible timeframe:** *The Herald* reported on November 26th that Tim Eyman said he and his supporters began collecting signatures in March. However, Initiative 517 was not filed until April, and petitions for I-517 certainly could not have been created or printed prior to I-517's filing.
- **Delinquent PDC reporting:** Petitioners we have spoken with say that the effort to qualify Initiative 517 began in April. That means petitions must have been printed that month. However, no paperwork was filed in April with the PDC to report the organization of a Yes on I-517 committee. A C1-PC was belatedly filed the next month (May) but the cost of printing the petitions was not reported at that time. Nor was it reported in June when the C1-PC for the I-517 committee was amended again. Payments to petitioners for I-517 signatures that were disbursed in the spring were also not reported.
- **High number of amended forms:** The I-517 committee, known since June as "Protect Your Right to Vote on Initiatives", has amended its filings with the PDC an usually high number of times. For example, the initial C1-PC was amended twice before any additional reports were filed. Amended C4s, meanwhile, were filed in July, August, September, and November. Why aren't the reports accurate and correct to begin with? Haven't Eyman, the Fagans, and their treasurer Stan Long been at this long enough that they know how to get their reports right the first time they file them?
- **Petitioners working I-1185 were told to gather signatures for I-517 or be fired:** Rick Walther has unequivocally stated in a complaint to the Department of Labor & Industries and to reporters that he was verbally harassed by Eddie Agazarm after he refused to comply with Eddie's demand that his petitioners carry I-517 petitions and collect for I-517 in addition to I-1185. Petitioner Miles Stanley has corroborated Walther's account of Eddie's terms in a separate affidavit.
- **Did Tim Eyman ever bother to tell his followers about I-517?** We've been trying to find evidence that Tim Eyman sent updates out about I-517 to people on his mailing lists, but it does not appear that Eyman ever solicited money or help for I-517. It looks like Eyman's objective was to run a low-profile, under-the-radar stealth campaign that even his own followers were unaware of.
- **In-kind contributor "First Amendment LLC" is a nonexistent entity.** One of the in-kind contributors listed in reports filed by "Protect Your Right to Vote on Initiatives" is "First Amendment, LLC". A search of the Secretary of State's Corporations Database for "First Amendment" turned up only one match: the Snohomish County First Amendment Scholarship Fund, which is obviously a different entity. There is a person registered to vote at the address listed for "First Amendment LLC" (2223 State Ave NE Olympia, WA 98506-4763): Wendy Larson, who is identified in emails supplied by petitioner Steve Burdick (see Appendix II) as one of Eddie Agazarm's coordinators.
- **Out-of-state influence:** Aside from Eddie Agazarm's donations, most of the other in-kind contributions listed in recently-filed PDC reports have come from petitioners or organizations based out-of-state. The biggest in-kind contributor is Citizens in Charge, run by Paul Jacobs out of Virginia. Individual petitioners who made in-kind donations mostly hail from California.
- **Petitioners were urged to ignore state law:** The back of the I-517 petition contains a line for petitioners to sign declaring that they circulated the petition as required by state law, but above that is a short editorial actively discouraging petitioners from affixing their autograph:

Does anyone need to fill out the declaration below? No. The Thurston County Court in 2009 and an Attorney General opinion in 2006 confirm that it doesn't need to be filled out in order for the petition to be accepted.

Timeline of Events

April 2012 – December 2012

April 5th, 2012	Tim Eyman files Initiative 517, one of dozens of initiatives to the Legislature, at 11:51 AM, according to the Secretary of State. He and his associates soon get to work designing the I-517 petition so that it can be ready for printing as soon as the ballot title is approved.
April 9th, 2012	Eyman associate Edward Agazarm (known by his nickname Eddie Spaghetti), who runs "Citizen Solutions" with Roy Ruffino, tells petitioner Steve Burdick by email: "If you don't bring in equal numbers [of signatures for Initiative 1185 and Initiative 517] you are fired... watch me."
April 13th, 2012	<p>Early in the morning of April 13th, a working draft of the Initiative 517 petition is generated using Adobe InDesign CS4. This PDF file – <u>and its accompanying metadata</u> – is later sent out by Tim Eyman to his list of press contacts in late December 2012 (See Appendix II).</p> <p>The ballot title for Initiative 517 is approved just hours later, at 11:57 AM, according to the Secretary of State. Apparently, the I-517 petition did not need to be further modified because the final ballot title was the same as the Attorney General's working ballot title – this could explain why the PDF Eyman ended up sending out to reporters in December was generated before the ballot title was actually issued.</p>
After April 13th, 2012	<p>The first batches of Initiative 517 petitions are printed. Eyman and his associates fail to timely file a C1-PC organizational form with the PDC announcing the formation of the I-517 campaign. They also fail to report the costs incurred for printing the petitions as an expense or an in-kind contribution, as well as payments to petitioners.</p> <ul style="list-style-type: none"> • RCW 42.17A.205 requires that a C1-PC form must be filed "within two weeks of organizing or within two weeks of when the committee first expects to receive contributions or make expenditures in any election campaign, whichever is earlier." • According to the PDC: "A political committee is any person, group, club, organization or collection of individuals (except a candidate or individual dealing with his or her own funds) expecting to receive contributions or make expenditures in support of or in opposition to any candidate or ballot proposition, including annexation and incorporation ballot issues."
April 18th, 2012	Eddie Agazarm holds a meeting with petition crew chiefs regarding Initiative 517, which he is expecting petition workers to circulate without compensation. Later that day, he sends out an email with the subject "I-517 Update" (sent at 9:39 PM).
April 23rd, 2012	Approximate date when petitioner Steve Burdick (see his affidavit, page three of Sherry Bockwinkel's complaint/Appendix II) received I-517 petitions and begins collecting signatures. Burdick attests that he continued to collect signatures for both I-1185 and I-517 "for a couple of weeks". He receives compensation from Rob Harwig – Citizen Solutions' main subcontractor, whose firm is registered in California – for the work.
May 3rd, 2012	A C1-PC form for "Protect the Initiative Act (Jack Fagan)" is filed with the PDC (note that it is listed as received on May 8 th). The Mini-Reporting option is checked. Stan Long is listed as the treasurer; Tim Eyman, Jack Fagan, and Mike Fagan are listed as the officers. The C1-PC fails to specify which initiative the committee is associated with.
May 5th, 2012	Eddie Agazarm fires petitioner Miles Stanley for failing to bring in signatures for I-517. Agazarm tells Stanley if he wants to continue working for Citizen Solutions, he will have to do so through Rob Harwig. (See Miles' affidavit, Appendix III).
May 21st, 2012	The previously-filed C1-PC form for "Protect the Initiative Act (Jack Fagan)" is amended to specify that the committee is a ballot measure committee working to qualify Initiative 517. The mini-reporting option is left checked.
June 11th, 2012	A third C1-PC form is filed with the PDC. The committee name is changed to "Protect Your Right to Vote on Initiatives". On this amended form, the "full reporting" option is checked, instead of the mini-reporting option.

July 10th, 2012	"Protect Your Right to Vote on Initiatives" files its first C4 report. The committee reports no cash contributions or expenses. Only one in-kind contribution is listed; it's attributed to Eddie Agazarm in the amount of \$4,444.38 for petition printing. Future C3 and C4 reports filed in ensuing months contain more in-kind contributions from Eddie plus large in-kind contributions from Paul Jacob's Citizens in Charge, out of Virginia.
August 21st, 2012	<p>Petition crew chief Rick Walther files a complaint with the state Department of Labor & Industries alleging that he was unjustly fired for failing to bring in equal numbers of I-1185 and I-517 signatures as demanded by Eddie (a copy of his email message is enclosed in this packet; see Appendix II). His email asks for instructions on how to file a formal complaint.</p> <p>The same day, Tacoma activist Sherry Bockwinkel files a complaint with the Public Disclosure Commission alleging that Eyman and his associates violated the state's public disclosure laws. (also Appendix II). Erik Smith writes about the complaint for the <i>Washington State Wire</i>. He reports having seen I-517 petitions being circulated at the Washington State Republican Convention and includes a photograph of petitions on a table:</p> <p style="padding-left: 40px;">Washington State Wire noticed the measure for the first time on June 1, as it was being circulated alongside I-1185 by canvassers at the state Republican convention.</p>
September 8th, 2012	<p><i>The News Tribune's</i> Jordan Schrader reports on the Public Disclosure Commission complaint filed by Sherry Bockwinkel in a lengthy story. Reporter Jordan Schrader's article quotes from Rick Walther, Association of Washington Business President Don Brunell (AWB and powerful corporations like BP, Shell, and Tesoro provided the financial muscle to qualify I-1185 to the November 2012 ballot), plus Eyman ally Paul Jacob of Virginia. It includes this paragraph:</p> <p style="padding-left: 40px;">Eyman declined to comment, saying his messages to the PDC speak for themselves. But he also distances himself from the operations of the campaign, which is run by one of his longtime associates.</p>
November 26th, 2012	<p><i>The Herald</i> of Everett reports on the progress of the Initiative 517 signature drive. Reporter Rikki King's story includes these paragraphs:</p> <p style="padding-left: 40px;">Eyman and his supporters started gathering signatures on Initiative Measure No. 517 in March, he said. They have until the first week of January to gather at least 241,153 valid signatures.</p> <p style="padding-left: 40px;">"We're making good progress on that, but we're not there yet," he said.</p> <p>The signature drive for I-517 did not actually begin until April, because the initiative did not exist prior to April 5th, when it was filed. However, Eyman's comments to Rikki King indicate that the preliminary planning for what became I-517 was underway during March of 2012.</p>
December 13th, 2012	The Secretary of State's Kay Ramsay sends an email to Tim Eyman reminding him that the deadline to submit signatures for an initiative to the 2013 Legislature is January 4 th , 2013.
December 26th, 2012	Eyman responds to Ramsay's email, copying his list of press contacts and announcing that he intends to submit signatures for I-517 on January 3 rd at the Secretary of State's Elections Annex. He includes a digital copy of the I-517 petition with his email.

Appendix I: Metadata for digital copy of I-517 petition

Filename:	Final petition for I-517.pdf	Created:	Friday, April 13, 2012 12:31:13 AM
Page Size:	11 x 17 inches	Modified:	Friday, April 13, 2012 12:31:15 AM
File Size:	310.2 KB	Format:	PDF v. 14
Creator:	Adobe InDesign CS4 (6.0.5)	Security:	Unencrypted
Producer:	Adobe PDF Library 9.0	Optimized:	Yes
Pages:	2	MIME Type:	application/pdf