



CITY OF COEUR D'ALENE

OFFICE OF THE CITY CLERK

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November 3, 2011

Jeff Ward
President, Kootenai County Republicans
P. O. Box 1274
Post Falls, ID 83877

RE: E-mail Letter dated Nov. 2, 2011

Dear Mr. Ward:

I would like to respond to your letter that you sent me and copied to the Coeur d'Alene Press and Spokesman Review yesterday. I will respond to each item in your letter.

I did not communicate with "on-line blogs." I responded to an e-mail I had received.

Yes, I did ask for direction from the Secretary of State's office prior to contacting the entity involved (Strategy Group), just as I had asked for direction from the Secretary of State's office regarding your inquiry into the Coeur d'Alene Tribe's donation of \$1,000 prior to having contacted the Coeur d'Alene Tribe. A City Clerk may obtain direction and guidance in relation to the Campaign Financial Disclosure laws from the City Attorney's office, the Secretary of State's office, and the Association of Idaho Cities. I will be the first to admit that I am not "all-knowing" nor do I have all the answers to all the situations presented to me during city elections that occur once every two years. I rely on my resources to assist me and the candidates in assuring that all participants organized for the election of a candidate comply with the law. Thus far this year, I have asked for and received direction on your request, the Firefighters Union questions, and the questions raised regarding the Strategy Group.

In response to your allegation that I have not investigated the Savvy Marketing Group because they have provided services to sitting Council members and "preferred candidates", the reason they are not being investigated is because the candidate(s) have reported their expenditures to this business on their Campaign Financial Disclosure reports in compliance with the law, just as other candidates have reported their expenditures to Strategy Group. There is nothing to investigate. Your accusations that I singled out a "single vendor and a single organization", and that I do selective investigations to "silence any opposition" are not true and I personally feel they are a slander to my reputation.

In regard to the flyer, you were asked to submit an Independent Expenditure report, which you did. At the time of the request, the amount was not known and you did not volunteer the amount; however, a reasonable person would believe a "flyer" being prepared, printed, published, and distributed to a population the size of Coeur d'Alene would exceed \$300. The code indicates that Independent Expenditures that total more than \$100 per candidate, political committee or measure and that are done without prior knowledge, consent, or coordination of the candidate are required to be reported. Since you did not provide invoices showing the actual amount, I accepted your report of \$297.86 as true since you certified on the report that the information contained therein was "true, complete and correct".

In regard to the real estate PAC, in looking over the reports for the last election, not all candidates received contributions of \$1,000 each. They ranged from \$250 to one candidate, \$500 to another, and \$1,000 to another. The reports that include this information range from the 7-Day Post General Election Report to an Annual Report. Some reports indicate that it was from the Association of Realtors, and one reports it as Association of Realtors- The Realtors Political Action Committee.

Regarding candidate George Saylor's receipt of a \$1,000 contribution from the Coeur d'Alene Tribe, the next day you sent me an e-mail inquiring into three separate contributions, the first two were not in excess of the \$500.00 contribution limit and thus were not required to file as a PAC. In regard to the Coeur d'Alene Tribe, before responding to your e-mail I asked both the Association of Idaho Cities and the Secretary of State's Office if the Tribe was subject to the Sunshine laws. Although the answers I received from each entity were a little different in perspective, they both concluded that the Coeur d'Alene Tribe was not subject to these laws.

In regard to the Washington State Employees Union PAC, I believe my statement filed with that organization's Financial Campaign Disclosure Report reflects the reasons for the reporting dates. Again, this was after consultation with the Secretary of State's office and working with their PACs Treasurer.

In regard to your statements that I required you to form a different "PAC" for each city, that is not quite true. I suggested that your PAC set up a different account for each city election in order to make it easier for the accounting and reporting of your contributions and expenditure to each city. Your accusation that I "instigate(d) an inquisition by the Secretary of State Office" is, at a minimum, inflammatory. I asked for direction on financial disclosure laws as it relates to the issue of whether the \$1,000 limit should be applied to Strategery Group as an "in-kind" donation since the candidates did not directly pay for their service. Again, you submitted a Financial Disclosure Report to the City of Coeur d'Alene indicating that you had provided Strategery Group with \$3,802 and that this information was a "true, complete and correct Campaign Financial Disclosure Report" for the City of Coeur d'Alene. With only three Council positions open and the amount exceeding the \$1,000 limit per candidate, coupled with an inquiry I received via e-mail, I needed clarification to see if I did, indeed, need to follow up with the Strategery Group in advising them if the \$1,000 "in-kind" contribution applied in this case. Earlier, the Firefighter Union PAC paid a company for a billboard for two candidates. After inquiring on how this was to be reported, their Treasurer and I were informed that their PAC should report it as an expenditure and the candidates should report it as an in-kind donation since the candidate received the benefit of this advertisement but did not directly pay for it. I did not initially contact the Strategery Group or your organization because I was not sure if there was even an issue with the \$1,000 limit. In between the time of receiving a response to my question, Mr. Ron Lahr provided Cd'A Press Reporter Tom Hasslinger with the information that, although you had submitted a report that your organization had spent \$3,802 on City of Coeur d'Alene campaigns, in actuality that was not "true, complete, and correct" in that the total amount you reported was spent on all city elections within Kootenai County and that in actuality his firm has provided \$975 of in-kind contributions to each candidate and that the candidates would be reporting this on their 30-day Post General Election Campaign Disclosure Report as an in-kind contribution from the Strategery Group. Since this is within the \$1,000 limit even if the \$1,000 limit does apply, then there is no issue with the Strategery Group. In retrospect, if you had correctly reported the actual amount your organization had collected and spent on the City of Coeur d'Alene election, this issue may have never arisen.

Finally, you have wrongly accused Mr. Kennedy of actions that were not his and accused me "as a highly-paid employee of the City Council" and of "acting under his direction" and that I am using my office "to benefit preferred candidates and organizations and maliciously harassing opposing candidate and

organizations” is also not true and, I consider it to be a slander upon my reputation. I believe, at the very least, you owe Mr. Kennedy and myself an apology.

Respectfully submitted,

Susan K. Weathers, CMC
City Clerk

Cc: Cd'A Press
Spokesman Review
Strategery Group, Inc.