

**Public Comment Enforcement Docket 140213**

[Jim Lazar](#)

reported via email (*Thu, 3 Oct 2024 at 10:46 AM*)

To:PDC <pdcc@pdc.wa.gov>

External Email

I have read the filings posted to this docket, and listened to a portion of the enforcement hearing.

A large portion of LGW expenditures went to contractors who employed subcontractors. Millions of dollars were spent on paid signature gatherers. Were those gatherers employees (with payroll taxes remitted) or were those gatherers subcontractors (with business registration and B&O taxes remitted)?

Each of the individual signature gatherers was either an EMPLOYEE of the contractor, an EMPLOYEE of a subcontractor, or an individual subcontractor.

In every case, the business enterprise receiving the funding, whether a Contractor, subcontractor, or employee, would have some tax responsibility to the state of Washington. While I have no relevant factual information, I am skeptical that all of these obligations have been fully and accurately discharged. In particular, I am suspicious that the Contractors and Subcontractors paid the signature gatherers as subcontractors, without the business registration and B&O tax returns that are generally required for independent contractors.

Obviously this question is beyond the scope and authority of the PDC. I am not asking that the PDC investigate these questions.

I recommend that the PDC refer this complex financial arrangement to the Washington Department of Revenue, for possible investigation as to the responsibilities of DOR. By providing the records that the PDC has compiled, you would give DOR a head start in any investigation that they might choose to undertake.

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Jim Lazar

1907 Lakehurst Dr. SE

Olympia, WA 98501

360-786-1822