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Dino Rossi says calls to builders groups were made before he was running for governor and only to mediate in a dispute. (Ted S. Warren / AP)

Rossi linked to builder fundraising

He calls accusations 'flailing' by Gregoire camp

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OLYMPIA -- Documents released Tuesday tie Republican gubernatorial candidate Dino Rossi to a fundraising campaign that was recently deemed illegal by the state attorney general.

The notes from a May 2007 meeting of the Master Builders Association of King and Snohomish counties show that Rossi, months before he announced his bid for governor, contacted high-ranking association members. At that time those members were making decisions about fundraising designed to fuel the political activities of the Building Industry Association of Washington.

Rossi says he did nothing wrong. His critics say the contacts show Rossi is in league with the conservative builders lobby.

"I would call this the smoking gun behind the 'Buildergate' scandal," said Aaron Ostrom, executive director of the liberal advocacy group Fuse. "The minutes from this meeting on May 21 (are) hard evidence that Rossi was part of a coordinated campaign by the BIAW to raise money for their war chest that would be used for attack ads against Gov. Chris Gregoire."

The state is suing the Master Builders and the Building Industry Association of Washington for failing to register as

Rossi linked to builder fundraising

political action committees and failing to report the contributions they solicited and received.

The BIAW's political action committee, ChangePAC, has spent more than \$2 million this election cycle, with another \$700,000 on hand. Almost all of its activities have been focused on attacking Gregoire, including ads criticizing her for benefiting from campaign contributions from tribal gambling interests who were negotiating with the state.

Money coming from outside interests has been a significant factor in the Gregoire-Rossi rematch, a race that will see the candidates directly raise about \$20 million between them.

Rossi acknowledged he had contacted the Master Builders on behalf of the BIAW, but his campaign said he did nothing improper.

"This is simply more flailing from a desperate (Gregoire) campaign and its allies," said Rossi's spokeswoman, Jill Strait.

Knoll Lowney, the attorney who filed the complaint against the two builders groups, released the new documents.

According to the meeting notes, Master Builders 2007 President Doug Barnes was discussing the request from BIAW to use excess money from a workers' compensation refund program "to fund the BIAW's war chest. Preliminary numbers on the excess are approximately \$150,000-\$200,000," the notes stated.

"So far, Pierce and King and Snohomish Counties are the only associations who have not made a commitment. Pierce County has had concerns that it is too early and there isn't enough information as to whom they would support."

The notes go on to say that Barnes and two other senior officials "reported that they had received a call from Dino Rossi. (One official) stated that he reiterated the Board's sentiment to Rossi, stating that it was too early, and the association had building issues that needed to be resolved."

In a statement, Lowney said: "Our campaign finance laws were enacted to reduce the influence of special interests on candidates, and we certainly cannot tolerate candidates and special interests teaming up to break these laws."

But Rossi said the calls had nothing to do with a campaign because he was not running for office at that time.

Asked if he had solicited money, he said: "No."

Instead, Rossi said he had called on behalf of the BIAW to mediate in a dispute between the two organizations.

"They are not always on the same page," he said. "Before I decided to run for governor, they asked me to come in and talk to them and see if they could put the relationship back together again. In the end it didn't work. They both ended up going their separate ways because they have different realities."

Rossi said the Master Builders are influenced more heavily by Democratic forces than are the more conservative members of the builders statewide association.

Both organizations supported Rossi in his 2004 bid for governor.

"We never talked about money or anything like that, it wasn't what the purpose was," he said. Rossi did say he had inquired about political contributions in a general sense.

"Part of (the discussion) was participation but we never talked about dollar amounts and I never asked them to put money here or there. Part of it was them coming together with their political efforts," Rossi said. "This was in 2007,

long before I was a candidate for governor. I didn't ask them to put money anywhere but it would have been perfectly OK for me to do that because I wasn't even a candidate."

The Master Builders also rejected the allegations.

"Prior to Dino Rossi announcing his candidacy for governor in October of 2007, we never had discussions with him about funding a Rossi campaign. We have never spoken with him about fundraising tactics in association with BIAW's gubernatorial program," the association leaders said in a statement. But left-leaning organizations seized on the documents as a chance to blast Rossi and his connections -- direct or indirect -- with the BIAW.

"The attorney general's investigation should be expanded with a special investigation into Rossi's involvement in the BIAW's campaign activities," said Scott Otterson, Sierra Club Cascade Chapter political chairman. "Given Rossi's record of voting against the environment, it should concern every citizen that the BIAW has bought and paid for this candidate."

Ostrom, the Fuse director, said the new information is important on several fronts.

"There are three really big implications: One is, he is directly involved in a fundraising campaign being prosecuted as illegal. Two, he's tied to all these sleazy attack ads because he helped fundraise for them. And three, there's a giant spotlight on this ultra-conservative, shady trade association that he voted with 99 percent of the time."

The Rossi campaign said the truth was easy to see.

"All the meeting minutes show is that Dino Rossi spoke to members of the Master Builders Association in May, 2007 before he was a candidate," Strait said.

"The PDC staff after a three-month investigation found no evidence that Dino Rossi had decided to run for governor before Oct. 11, 2007. Prior to that date, Dino made clear to the Master Builders, and anyone else who asked, that he had not decided whether or not to run for office. He was free to say whatever he wanted, to whomever he wanted, and he certainly did not ask anyone to do anything illegal or unethical."

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