

Vote Carol Frazey  
PO Box 30932  
Bellingham, WA 98228

Re: PDC Case Number 39282  
Complainant: Anthony Wallace  
Respondent: Carol Frazey  
August 29, 2018

## **RESPONSE OF CAROL FRAZEY**

### **Introduction**

Mr. Anthony Wallace filed a Complaint alleging three violations of the Public Disclosure Act. Each is without merit and should be dismissed without further action by the PDC. Imposing sanctions for the alleged violations would discourage voluntary compliance and consultation with PDC staff for guidance on proper reporting.

Attached to this Response are Statements of candidate Carol Frazey, Whatcom Democrats' Campaign Committee Chair Catherine Chambers and Whatcom Democrats' Candidates Committee Co-Chair and Campaign Committee Dan Raas. Ms. Chambers and Mr. Raas are also members of the Executive Board of the Whatcom Democrats.

### **Background**

Carol Frazey is running for Whatcom County Council At Large Seat B and is a first time candidate. Carol's current volunteer Treasurer is April Claxton. The campaign sent out its Primary Election mailer (an image is displayed on page 23 and entire Primary Mailer is attached to this email). Four candidates were on the ballot for this office in the Primary election. Although the position is officially Non-Partisan, Candidates Carol Frazey and Aaron Thomas identified as Democrats and achieved the status of Certified Democrats pursuant to the Endorsement Process of the Whatcom Democrats found at <https://www.whatcomdemocrats.org/wp-content/uploads/2018/03/Candidate-and-Ballot-Measure-Endorsement-Process.pdf>. Rather than seek formal pre-Primary endorsement from the Whatcom Democrats, Ms. Frazey and Mr. Thomas chose to retain their Certified Democrat status through the Primary so as to allow the voters to choose between them rather than have the local Party members make the endorsement. This allowed both of them to continue using non-consumable assets of the Whatcom Democrats through the Primary season. Ms. Frazey and other Certified Democrats running for other offices sought and received permission from the Party to use their Certified Democrat status in their campaigns, notwithstanding the prohibition against this use contained in the Endorsement Policy. Chambers Statement.

The apparent violation of the Endorsement Policy attracted Mr. Wallace's attention, and he began his Facebook and e-mail correspondence, reproduced as part of the attached Carol Frazey

Statement, with Ms. Frazey and others. Even if Ms. Frazey had violated the Endorsement Policy that is a matter for the Whatcom Democrats, not the Public Disclosure Commission.

The apparent violation of the Whatcom Democrats' Endorsement Policy led Mr. Wallace to careful examination of the Frazey Campaign's PDC filings. He found what he termed a discrepancy in the reporting of two payments characterized as "wages" paid to an apparent employee of the campaign. He was concerned that there were no corresponding payments reported for the withholding of federal income taxes or for State Employment Security and Workers Compensation. Acting pursuant to the June summary of the Emergency Rules enacted by the PDC to implement new statutory provisions, Mr. Wallace demanded that Ms. Frazey meet with him and allow inspection of her books and records at a date and time which he set. In demanding his schedule, Mr. Wallace was apparently unaware of the guidance in the summary which begins:

During the 10 days preceding a primary, general, or special election in which the candidate's name is on the ballot, the campaign's books of account showing all contributions received, expenditures made and outstanding debts must be opened for public inspection. An inspection may occur on weekdays beginning on the eighth day before the election — excluding legal holidays — by appointment between 9 a.m. and 5 p.m. at the location agreed up by both the treasurer and the requester or electronically in lieu of in-person inspection. (bold face in the guidance, underline added)

Later the guidance state:

PDC staff hopes that candidates and those requesting inspections will be cooperative and accommodating. (underline added)

The underlined portions contain two explicit duties and one implied responsibility upon the requestor and the candidate. The inspection is to be by appointment and at the location agreed upon by both the campaign treasurer and the requestor. Good faith in establishing the date and time of the appointment is implied. Explicit agreement on the location (and by implication, the date and time) is required. Mr. Wallace ignored this and set the time and date of the 9:05 am, Friday, August 3, for his convenience without regard to the schedule of the campaign, its Treasurer or Ms. Frazey. The inspection took place at the office of the Whatcom Democrats.

Ms. Frazey and Ms. Claxton, Treasurer of the Frazey Campaign, and Dan Raas as the representative of the Whatcom Democrats, and Mr. Wallace attended the inspection. As detailed by the Statements of Ms. Frazey and Mr. Raas, Mr. Wallace was given the opportunity to see any of the financial information and the PDC filings that he wished. The inspection lasted about 25 minutes, and Mr. Wallace said his claimed violation regarding the "wages" entries could be resolved by amending the appropriate C3s to reflect that they were payments to a campaign consultant, in which case he would not file a complaint with the PDC. Ms. Frazey amended the appropriate C3s that day, and Mr. Wallace sent an e-mail approving the changes. E-mails included within the Frazey Statement.

At the end of the inspection, Mr. Wallace agreed that all of his concerns had been satisfied and that there was no need to reconvene on Monday, which he had also previously demanded. Mr. Wallace disputes this, claiming that he was confused by the order or complexity of the question(s).

Nonetheless, on Saturday, August 4, Mr. Wallace demanded a new inspection at 9:05 am Monday, August 6, at the Whatcom Democrats' office. He was minimally flexible regarding the time, offering that he could delay until 9:15. Ms. Frazey and Ms. Claxton were unable to meet at 9:00 or 9:15 but changed their schedules and offered to Meet Mr. Wallace at 1:00. Mr. Wallace rejected that offer, having filed the PDC Complaint opening this case shortly after the time he demanded.

Mr. Wallace asserts three violations:

- Alleged violation of RCW 42.17A.235 for failure to timely & accurately report contributions and expenditures (July 19 mailer)
- Alleged violation of RCW 42.17A.235 for failure to keep current books readily available for public inspection within ten days of an election
- : Alleged violation of RCW 42.17A.235 by failing to make a timely appointment for public inspection within ten days of an election

Allegation 1: Independent of Mr. Wallace, as soon as the improper recording of the expenditure was discovered, The Frazey Campaign sought advice from the PDC as to how properly to remedy the problem. Mr. Chip Beatty of the PDC advised amending the appropriate C4, which was promptly done. Mr. Beatty continued to give advice regarding timely reporting of expenditures. Thus the system worked and the Frazey Campaign was given assistance by the PDC to remedy this problem. No sanction is appropriate for this violation. Indeed, a sanction would be counterproductive, since it would send the message that seeking assistance from PDC staff would be hoisting a signal of a violation to an opponent. There is no support for the accusation that the Frazey Campaign violated the reporting rules.

Allegation 2: The Frazey campaign made its books available at 9:05 am on August 3, 2018, within ten days of the Primary election, acquiescing to the demand of Mr. Wallace. Once again, it is counterproductive to impose sanctions on a candidate who capitulates to the insistence of a requestor for an inspection at a date and time he sets, only to have the requestor turn around and file a complaint with the PDC because the inspection was outside the 48 hour time limit. Compliance with the spirit as well as the explicit demands of the law and regulations should be encouraged not penalized. Mr. Wallace established the time and date of his inspection, and should not be permitted to now complain that it was outside a time limit. Mr. Wallace's hands are not clean in the matter of setting the time and date of the August 3, 2018, meeting. In legal terms, his conduct in setting, demanding and appearing at the August 3 meeting estops him from then complaining about the timing of the inspection. This allegation is without merit and should be dismissed.

Allegation 3: Ms. Frazey e-mailed Mr. Wallace the afternoon of August 3, 2018, that she was unavailable during the next week (Aug. 6-10) due to prior scheduled engagements. (Frazey to Wallace, 4:59 pm, 8/3/18, included in the Frazey Statement.) Nonetheless, on August 4, Mr. Wallace demanded a continued examination, or as he later termed it, a new examination, to take place on August 6, 2018, at 9:05 or 9:15 am. This e-mail was sent to an e-mail address that was not used in the current correspondence between Ms. Frazey and Mr. Wallace. As a result, Ms. Frazey did not read it until early morning Monday, August 6. She immediately responded, offering Monday afternoon, because, in reliance upon Mr. Wallace's statements that he had finished his examination Friday morning, she did not reschedule her work related activities that were scheduled for Monday morning. (Please see pages 17-21.)

On Fri, Aug 3, 2018 at 4:59 PM Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,

At the end of our meeting today, you agreed that it was unnecessary to meet on Monday. I will not be able to meet next week due to prior scheduled engagements, and April will be unavailable the entire week until 8/13.

Also, from 8/8-8/13 I will not be available by phone or email (except by my family) due to a previously scheduled event.

Thank you,  
Carol Frazey

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On Mon, Aug 6, 2018 at 10:23 AM, Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,

I have moved a few items in my schedule and could meet you at the Holly ST Democrats Office between noon and 2pm today 8/6/18. As stated before, my treasurer, April, is out of town until 8/13/18.

Carol Frazey  
360-820-0105  
<http://carolfrazey.com/>

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There was no intent to frustrate Mr. Wallace's second inspection. Indeed, had his demand been properly sent, perhaps the parties could have agreed on a mutually acceptable time on or before Monday, August 6, at which the inspection could have taken place. Instead, Mr. Wallace filed his complaint without attempting to find a mutually acceptable time for the new examination nor with regard to the aspirations of PDC staff quoted above. Again, imposing sanctions for the bad faith of the requestor sends the wrong message to candidates and requestors: it rewards high handed and confrontational behavior as opposed to rewarding cooperation in the inspection of campaign records. This Allegation is also without merit and should be dismissed.

### Conclusion

Each of Mr. Wallace's alleged violations are neither supported by the facts nor the law. Imposing sanctions on Ms. Frazey for these alleged violations would undermine one of the primary purposes of the Public Disclosure laws and the Public Disclosure Commission: to encourage full, accurate voluntary disclosure of campaign finances. Imposing sanctions would send the message that cooperation with requestors and consultations with PDC staff leads to penalties.

Mr. Wallace's complaint should be dismissed.

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Carol Frazey

## STATEMENT OF CAROL FRAZEY RE: PDC COMPLAINT OF ANTHONY WALLACE AGAINST THE CAROL FRAZEY CAMPAIGN

### Response to Public Disclosure Commission Complaint from Mr. Anthony Wallace Regarding the Vote Carol Frazey Campaign for Whatcom County Council At-Large

#### PDC Case Number 39282

- Allegation One: Alleged violation of RCW 42.17A.235 for failure to timely & accurately report contributions and expenditures (July 19 mailer)
- Allegation Two: Alleged violation of RCW 42.17A.235 for failure to keep current books readily available for public inspection within ten days of an election
- Allegation Three: Alleged violation of RCW 42.17A.235 by failing to make a timely appointment for public inspection within ten days of an election

**Introductory Statement:** Carol Frazey is new to politics and is a first time candidate. Her treasurer, April Claxton, is new to this role, is not an accountant, and is a volunteer. Both are new to filing PDC reports. Both have tried to be accurate and transparent with the process.

#### Vote Carol Frazey Campaign Responses to Allegations:

- **Allegation One:** As soon as the Vote Carol Frazey Campaign became aware that we had not correctly reported the expenditure for the July 19<sup>th</sup> mailer, we immediately amended the C-4 report and contacted the PDC for advice on how to correct the mistake. We continued to work with Mr. Chip Beatty of the PDC until the mistake was resolved.
- **Allegation Two:** Carol Frazey made her books readily available for public inspection within 10 days of the election by meeting with Mr. Wallace on August 3, 2018.
- **Allegation Three:** Through an email address different than the one through which we had been corresponding, Mr. Wallace sent an email on Saturday morning, August 4, 2018, requesting a second meeting for Monday morning. Carol Frazey did not read this email until Monday morning, but responded immediately. Because Carol Frazey works on Monday mornings, she agreed to meet Mr. Wallace in the afternoon, but Mr. Wallace refused.

#### Facts to Consider:

- The Vote Carol Frazey campaign treasurer is a volunteer and works full time at a different job.
- Carol Frazey has a business and is the sole employee. She teaches live classes throughout the day on Mondays and Wednesdays and online classes throughout the week.

**Carol Frazey's recollection of the meeting with Mr. Anthony Wallace:**

8/3/18 9am

Dan Rass and Carol Frazey arrived to the agreed upon location (Whatcom Democrats Office) at 8:50am on Friday, August 3, 2018. Mr. Wallace arrived at 9am. April Claxton, the Vote Carol Frazey campaign treasurer, arrived at 9:10am (due to a prior scheduled telephone conference).

Ms. Frazey kept the computer in front of her and slightly to the left with Mr. Wallace sitting to her left. Ms. Frazey went to each screen that Mr. Wallace requested, scrolled through each screen upon his request, and stayed on the page until he said that he was done. After Mr. Wallace had gone through the C-3 and C-4 reports that he wanted to see, Mr. Rass asked him if he was satisfied. Mr. Wallace said he was. Mr. Rass then asked Mr. Wallace if he saw what he needed to see. Mr. Wallace said yes. Finally, Mr. Rass asked Mr. Wallace if he was satisfied and if so, did he see a need to meet on Monday. Mr. Wallace stated that he had seen what he needed to see.

Directly after our meeting, the C3s that Mr. Wallace requested be amended with the PDC, were amended and sent to the PDC. Ms. Frazey sent Mr. Wallace a copy of the amended C3s and sent a message to the PDC to make sure that they had received the changes. The PDC responded and said that the PDC received the amended C3s.

The meeting ended at approximately 9:35am.

**Below are all correspondences between Mr. Wallace and the Vote Carol Frazey Campaign from July 26 – August 6, 2018:**

1st Correspondence on Thursday 7/26/18

**Below are the correspondences through the Vote Carol Frazey Facebook page:**

Anthony Wallace

JUL 26TH, 12:35PM

Anthony Wallace: My partner and I just got your mail piece - and I had a question when you get a chance, about it.

Why did you accept certification only to break the rules you accepted it under? It's IN your mail piece...

✓

(a) **Definition:** Candidates, who publicly declare themselves Democrats may receive access to Party resources prior to endorsement if they are certified as a democrat pursuant to section 2 (b). Certification does not imply endorsement by the Party. A candidate may not refer to certification in their campaign or publicity, but the party has no authority to bar the candidate from describing him or herself as a "Democrat."

Specifically "May not refer to certification in their campaign or publicity".

Vote Carol Frazey Thanks for sharing this, Anthony. I sent a photo of the piece to the Whatcom Democrats and got approval to use this. Both Aaron Thomas and I decided together to go for Non-endorsement so that we would both have the opportunity to get through the Primary Election. Since this is a new concept and is "post-endorsement", the Whatcom Democrats decided that we can use "Certified Democrat" on our mailings. Sent by [Carol Frazey](#)

Anthony Wallace: Perfect! Thank you!

Vote Carol Frazey Thanks for asking the question.

Anthony Wallace: Absolutely. (my partner and I voted for you)

Vote Carol Frazey Thanks for the votes!

Anthony Wallace: You're welcome!

I fundamentally disagree with having sought to use referring to certification. Can't guarantee we'll be voting for you in the general. Things like this matter a bit since my partner and I used to do consulting.

Who approved it again?

I ask because I have other windows open someone with Whatcom Dems eboard

it's a bylaw, so it took a 2/3 vote of the body - so that didn't happen. We're trying to figure out who screwed up. Or I can start with lists I have and just accuse you publicly of violating the rules.

Your call.

You did violate the bylaws pertaining to endorsement. No 2/3 vote to suspend them, occurred. Did you commit fraud in seeking certification, and if not, who authorized it, because "Whatcom Democrats" did not.

Someone who didn't have authority, may have.

Or I can just contact the PDC and file a complaint indicating you intended to confuse the voters and have you fined, and deal with this at hearing...

Also, since Whatcom Dems didn't authorize it as a body, you kind of lied.

My PCO is 3 feet from me, too.

I have reason to believe you obtained the certification via fraud, based on how you used it, lacking proof the body waived bylaws with a 2/3 vote or a name of someone acting outside of their actual authority.

This is not what you need, during a campaign.

You committed fraud, or someone else did with you thinking this was ok.

Since you don't want to speak with me, the E-board is now lit up.

JUL 26TH, 6:31PM

Vote Carol Frazey JUL 26TH, 6:31PM Hi Anthony, Sorry for the delay. I just got back from doorbelling. Let me look over your conversation and get back to you.

Anthony Wallace: Please understand:  
I used to do this for a living. I'm also autistic. Thanks.

Vote Carol Frazey I understand. I did send an email to the Whatcom Dems with a photo of how it was going to be displayed. I got approval to use the image.

Sorry, I need to eat dinner with my family and then have a conference call at 7pm.

Anthony Wallace: Did you get approval to refer to being certified publicly?

I get being busy. But changing how the party does things and referring to yourself as certified in literature when the bylaws say otherwise, doesn't make you look good. The fact that you don't have answers makes it look intentional.

My partner and I have judged the aapc polly awards; her the European association as well. You haven't even heard from her on this and she is the one who caught it, as well as a pco.

Vote Carol Frazey I sent the photo of what was proposed to the President of the Whatcom Democrats, Catherine Chambers, and got approval.

Sent by Carol Frazey

Anthony Wallace: Barbara Lewis is the chair



Thank you for identifying the problem

She is not Whatcom Democrats.

I understand what happened. It's your first run and she is supposed to run campaigns as the party contact. She messed up.

Thx.

I asked to replace whoever made the error; I help avoid problems like this.

By the way, who told you Catherine chambers is president of Whatcom Democrats? They lied.

Being lied to is my pet peeve.

JUL 26TH, 8:31PM

Vote Carol Frazey It is my understanding that Barbara Lewis stepped down and Catherine is the new president.

Sent by Carol Frazey

Anthony Wallace: Wow. Since last night?

I though Lisa left as campaign chair and Barbara appointed Catherine to run the campaign committee...

It's even worse if Catherine is the new president and authorized it without the body's permission. It's not allowed to be changed as of the cutoff. The cutoff was 60 days prior to the endorsement meeting.

I can understand "first run jitters", but overall, those things are extremely important. That mail piece never should have dropped.

Anthony Wallace: Barbara says she never left as chair. Who gave you that understanding?

JUL 28TH, 8:36AM

Anthony Wallace: Ok, so you're either to incompetent to make decisions on behalf of voters, or you're evil. Either way, you screwed up, and I'm going to treat it as both.

I'm willing to help Bostrom over you at this point, to prove a point. Expect internal damage within the Dem Party. There's a full month for rumors and anger before their next meeting 😊

Above is the final correspondence between Mr. Anthony Wallace and Carol Frazey through the Vote Carol Frazey Facebook page.

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**From:** Anthony Wallace <acwallace78@gmail.com>

**Sent:** Wednesday, August 1, 2018 9:09 AM

**To:** Carol Frazey

**Subject:** Inspection of Books Request

Due to irregularities witnessed on the part of your campaign, and the response witnessed when confronted with those irregularities, I have reason to believe that your campaign intends to deceive or confuse the voters. I fear this may extend to financial reporting, and am triggering a request for books inspection at earliest capability. Further, I am requesting updates on Monday, 8/6/18 in addition to my initial inspection. I will of course, Show Photo ID if you choose physical location meetup.

Please note that I will be auditing under the new rules which took effect in June.

Advise as to date/time/location of said audit(s), or we can proceed with digital books as I understand it.

Best,

Anthony Wallace

360-441-5304

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**This email was only sent to Treasurer@CarolFrazey.com (All previous emails were sent to Carol@Carol Frazey.com)**

Anthony Wallace <acwallace78@gmail.com>

Wed 8/1, 4:24 PM

I had the campaign email originally, and wanted to make sure I'd covered all of my bases.

There's specific concerns readily visible from public filings as they currently stand.

I have an 11am Friday Medical Appointment and will be unavailable from 1030-1230.

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**Inspection of Books Request**

On Wed, Aug 1, 2018 at 5:01 PM Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,

I am headed to work right now, but I will check to see when my treasurer can meet with the both of us.

Thanks,  
Carol Frazey  
<http://carolfrazey.com/>

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## Re: Inspection of Books Request

Wonderful! You have an idea of some of the things I'll be looking for - and please ensure that receipts are within 1 business day. Please don't forget this is a rolling request, and I want to see them Monday, as well.

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On Thu, Aug 2, 2018 at 3:41 PM Carol Frazey <carol@carolfrazey.com> wrote:  
Hi Anthony,  
My team and I can meet you at the Whatcom Democrats Office at 215 W Holly St # B27, Bellingham on Tuesday 8/7 at 1pm.  
Carol Frazey  
360-820-0105  
<http://carolfrazey.com/>

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Anthony Wallace <[acwallace78@gmail.com](mailto:acwallace78@gmail.com)>

Thu 8/2, 3:49 PM

<https://www.pdc.wa.gov/learn/publications/candidate-instructions/public-inspection-campaign-records>

You have until 9:05 am tomorrow morning. Refusal to comply with the law will not go well. The 48 hours began when I sent the email, and I stated earliest possible. Since you can't allow 2 uninterrupted hours today, by 5pm, where would you like this to occur by 9:05 am?

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On Thu, Aug 2, 2018 at 4:39 PM, Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,  
We will see you at the Whatcom Democrats Office at 215 W Holly St # B27, Bellingham on Friday, 8/3 at 9am.

Carol Frazey  
<http://carolfrazey.com/>

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Anthony Wallace <acwallace78@gmail.com>

Thu 8/2, 4:40 PM

- 1) Your campaign lists wages. It does not list a separate payment for withholdings for payroll taxes. Either you committed wage theft, or you did not file an accurate and timely report including the withholdings payment.
- 2) I recieved a mail piece. The last c4 that was filed does not list it as an expenditure. This is concerning by itself. I have screen captures of that financial.
- 3) You are refusing to allow me to see the books for 6 days from the point of request, instead of within 48 hours. Functionally, this deprives me of the ability to go to the media in a timely fashion, prior to the election, should there be evidence of wrongdoing - and is intentionally done only to keep things in the dark, which is the exact opposite point of the law. I said I feared you were going to deceive voters, and hiding your books is the easiest way to do it.

This, hiding your books, by itself, is evidence of wrongdoing and the public has every right to know you're doing it.

People get fined for doing things like this - why are you disregarding the law, which is clear?

I am going to have to file a complaint, and start typing a press release then?

Tony

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On Thu, Aug 2, 2018 at 4:39 PM, Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,

We will see you at the Whatcom Democrats Office at [215 W Holly St # B27, Bellingham](#) on Friday, 8/3 at 9am.

Carol Frazey

-----  
Anthony Wallace <acwallace78@gmail.com>

Reply all|

Thu 8/2, 4:41 PM

Carol Frazey

Wonderful! You have an idea of some of the things I'll be looking for - and please ensure that receipts are within 1 business day. Please don't forget this is a rolling request, and I want to see them Monday, as well.

Meeting with Mr. Wallace, Dan Rass, April Claxton, and Carol Frazey occurred at the Whatcom Democrats Office on Holly ST on Friday, August 3, 2018 at 9am.

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On Fri, Aug 3, 2018 at 10:18 AM Carol Frazey <carol@carolfrazey.com> wrote:  
Hi Anthony,  
As agreed upon, attached are our amended C4s.

Carol Frazey  
360-820-0105

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Anthony Wallace <acwallace78@gmail.com>

Yesterday, 2:36 PM 8/3/18

Carol Frazey

I truly appreciate it. Thank you!

In group communication there's often 4 phases:

Forming, storming, norming, conforming.

We've got the storm part out of the way. I don't have it out for your race - or I would have jumped on this faster, and filed a complaint instead of notifying you. What happened today happens to a lot of campaigns. I've done probably about 60 of these over the last 17 years.

If I had tried to approach you as a volunteer, there's enough people that hate me or don't understand my background that you would have been told to not accept my help.

I literally had no other way to mitigate potential liability to your benefit, fast, and I want to apologize for any stress. I still want to see any updates Monday, but with you on track, I can focus complaints and whatnot in other directions, without fear of blowback against your race.

You kept your composure today - I'm not worried about you undergoing opposing candidate audit. Come Fall, health willing, I'll be able to to this quite a bit but with the right of center candidates, and not in a way where they're allowed to correct themselves. My methods might fall to the intense side, but my heart's in the right place.

Personally, had I been in a position to have helped earlier, we could have avoided the adversarial posturing - but the party tends to be a social clique, and I'm not the most social person, so people only see the downsides to me, never that I want to actually help. If you ever have questions, I absolutely have advice - but I don't want to be presumptuous and give it unasked for.

Best,

Anthony (Tony) Wallace  
360-441-5304

P.S. Swapping treasurers was also a good idea.

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On Fri, Aug 3, 2018 at 4:59 PM Carol Frazey <carol@carolfrazey.com> wrote:

Hi Anthony,

At the end of our meeting today, you agreed that it was unnecessary to meet on Monday. I will not be able to meet next week due to prior scheduled engagements, and April will be unavailable the entire week until 8/13.

Also, from 8/8-8/13 I will not be available by phone or email (except by my family) due to a previously scheduled event.

Thank you,  
Carol Frazey

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Re: Monday

Anthony Wallace <acwallace78@gmail.com>

Yesterday, 5:20 PM 8/3/18

Carol Frazey;

Dan Raas <danraas@comcast.net>

That was a misunderstanding, then. I said we had concluded this inspection. The inspection Monday was to be part of a rolling request. The only way I'd have agreed to such is if you promised you weren't moving more money. We never had that conversation.

If someone interrupted me while I was speaking, or asked a compound question, or if two people were asking questions, such as you and Dan did, it is possible that one of you thought I was answering when I was answering the other? At all points in time I've maintained the desire to see the books, and the written record absolutely reflects that. There was no mutual assent in not meeting Monday.

I am literally trying to be nice about this, and move to a place where I can actually want you to win again: see my last email.

Just like you misunderstood when I said I didn't need to see the C1 unless it had been amended. Did you lie, or was there a misunderstanding?

Since it's close of business, I will not be available until Monday morning 9am. You failed to schedule it, and it cannot be reasonable to expect me to drop everything within 5 minutes of 9am Monday morning.

Given that you misunderstood use of certification for public use, given that you misunderstood the inspection guidelines, given that you misunderstood WHEN TO REPORT BILLS, is it possible that you misunderstood who I was responding to?

\*\*\*\*\*

I've looped Dan Raas in; Dan - I recall saying no such thing as to not needing to see the books, and I can recall almost verbatim, this morning's events.

Further, I know the written record absolutely supports me in this. Short of you as an attorney lying, I'm sure I have the right to see the books Monday morning: if you disagree, then I'll let the system decide what's what.

Dan: please have a conversation with Carol as to what the law is, since I'm not a lawyer? Just because I'm a democrat doesn't mean I won't act as-of-right within the reporting system. I'm willing to fight this, including on meeting on the 16th, where Carol will presumably seek endorsement of the body? They might forgive her for the mail piece, or denying access to her books - but I doubt they'll forgive both.

Tony

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This email was only sent to Treasurer@CarolFrazey.com and Dan Rass (All other emails were sent to Carol@CarolFrazey.com except for the one email dated Wednesday 8/1 at 4:24 )

Monday books inspection.

[Anthony Wallace <acwallace78@gmail.com>](mailto:acwallace78@gmail.com)

Reply all|

Sat 8/4/2018 9:10 AM

To:

Paul Frazey;

Dan Raas <danraas@comcast.net>

[We have a little bit of leeway on the time - 9:15 works for me.](#)

I'd like to see the books again Monday, in accordance with the new rules.

1) This is a 48 hour request.

2) Here's the new rules:

<https://www.pdc.wa.gov/learn/news/new-procedures-inspections-campaign-books-effect-next-month>

As this is before 3pm on the 3rd day preceding the election, compliance is mandatory, not optional.

Where would you like to meet?

This is my last request for a meeting of the minds on this. The rules are laid out clearly. Failure to comply with the law will result in a PDC complaint.

Best,

Anthony Wallace

360-441-5304

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Dan Rass ccd Carol@CarolFrazey.com onto the email below.

Re: Monday books inspection.

DAN RAAS <danraas@comcast.net>

Reply all|

Mon 8/6/2018 8:09 AM

To:

Anthony Wallace <acwallace78@gmail.com>

Cc:

Carol Frazey

Thank you for including me on your e-mail, Anthony. But I am not part of Carol's campaign and I won't be attending today.

Dan

Re: Monday books inspection.

Anthony Wallace <acwallace78@gmail.com>



Reply all|

Mon 8/6/2018 8:34 AM

To:

DAN RAAS <danraas@comcast.net>

Cc:

Carol Frazey

You replied on 8/6/2018 10:23 AM.

I appreciate the clarity; I didn't want to be accused of not putting an appropriate party "in loop".

Best,

Anthony Wallace

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On Mon, Aug 6, 2018 at 10:23 AM, Carol Frazey <carol@carolfrazey.com> wrote:  
Hi Anthony,  
I have moved a few items in my schedule and could meet you at the Holly ST Democrats Office between noon and 2pm today 8/6/18. As stated before, my treasurer, April, is out of town until 8/13/18.

Carol Frazey  
360-820-0105  
<http://carolfrazey.com/>

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Re: Monday books inspection.

Anthony Wallace <acwallace78@gmail.com>

Reply all|

Mon 8/6/2018 10:27 AM

To:

Carol Frazey

I'm sorry, but that is outside of the 48 hours, and you have therefore triggered a complaint centered around RCW RCW 43.17A.235

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On Mon, Aug 6, 2018 at 11:32 AM Carol Frazey <carol@carolfrazey.com> wrote:  
Hi Anthony,  
The pdc was consulted and there is no official definition of a "rolling request". If you choose to see the books again, you will need to make a new official request.

If you have any questions, please call Chip at the pdc office (360)586-0616.

Thank you,  
Carol Frazey  
<http://carolfrazey.com/>

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Re: Monday books inspection.

Anthony Wallace <acwallace78@gmail.com>

Reply all|

Mon 8/6/2018 11:36 AM

To:

Carol Frazey

You replied on 8/6/2018 11:39 AM.

I feared this would be your interpretation. The 9:10 am Saturday request was not responded to within 48 hours. That was a separate request, in case you felt that way. It in no way referred to a rolling request in it, did it?

Anthony Wallace <acwallace78@gmail.com>  
To: TREASURER, Dan ▾

Aug

We have a little bit of leeway on the time - 9:15 works for me.

I'd like to see the books again Monday, in accordance with the new rules.

1) This is a 48 hour request.

2) Here's the new rules:

<https://www.pdc.wa.gov/learn/news/new-procedures-inspections-campaign-books-effect-next-month>

As this is before 3pm on the 3rd day preceding the election, compliance is mandatory, not optional.

Where would you like to meet?

This is my last request for a meeting of the minds on this. The rules are laid out clearly. Failure to comply with the law will result in a PDC complaint.

Best,

I sent this email at 9:10, and gave you 5 minutes leeway.

You didn't reply within 48 hours, so yes, it is a valid complaint.

I kind of used to do this for a living; I've adequately covered my bases.

If the PDC doesn't pick the case up within the statutory period, I can bring the case as the state of Washington, so either way, looking at everything, I am quite confident in my course.

Best,  
Anthony Wallace.

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On Mon, Aug 6, 2018 at 11:39 AM, Carol Frazey <carol@carolfrazey.com> wrote:  
Hi Anthony,  
I did not receive that email. I believe it may have been addressed to Dan and not directly to me. Dan is not part of our campaign.  
Thanks,  
Carol Frazey  
360-820-0105  
<http://carolfrazey.com/>

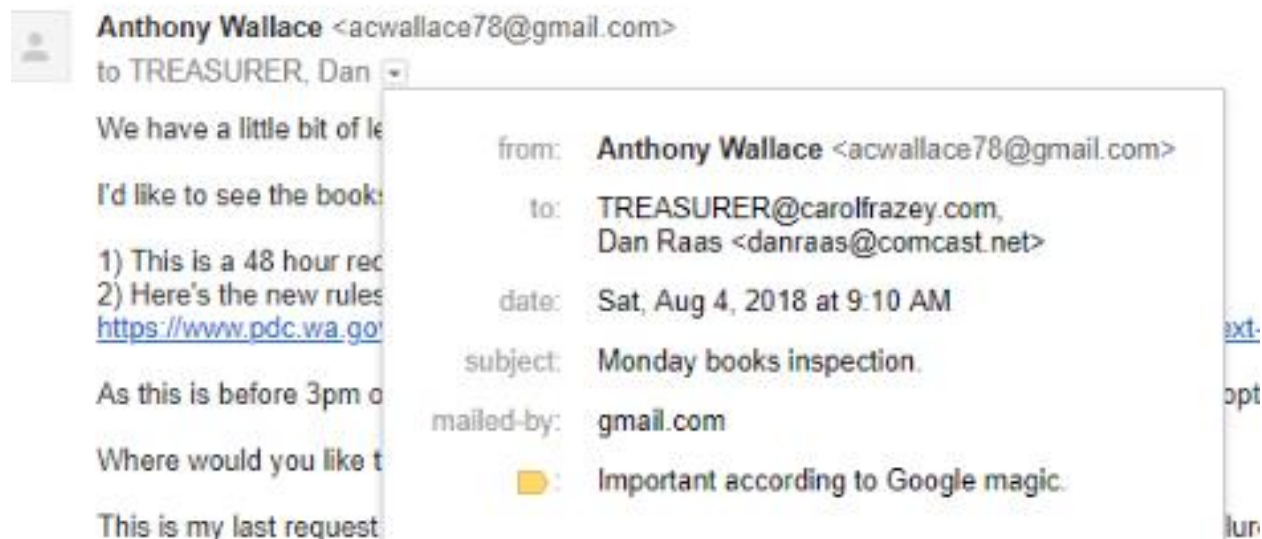
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On Mon, Aug 6, 2018 at 11:40 AM, Anthony Wallace <acwallace78@gmail.com> wrote:

Monday books inspection.



Inbox x



Then you failed to keep an accurate C1 as contact information for your treasurer.

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**From:** Anthony Wallace <acwallace78@gmail.com>  
**Sent:** Monday, August 6, 2018 11:42 AM

**To:** Carol Frazey  
**Subject:** Re: Monday books inspection.

☒ **Option B: FULL REPORTING:** I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.

5. Treasurer's Name and Address. Does treasurer perform only ministerial functions? Yes ___ No <input checked="" type="checkbox"/> See WAC 380-05-243 and next page for details. List deputy treasurers on attached sheet. <input type="checkbox"/> Continued on attached sheet.		Daytime Telephone Number <b>360-223-5262</b>
<b>APRIL CLAXTON</b> <b>1507 MCKENZIE AVE, BELLINGHAM WA 98225</b>		
6. Persons who perform only ministerial functions on your behalf <u>and</u> on behalf of other candidates or political committees. List name, title and address of these persons. See WAC 380-05-243 and next page for details. <input type="checkbox"/> Continued on attached sheet.		
7. Committee Officers and other persons who authorize expenditures or make decisions on your behalf. List name, title and address. See next page for definition of "officer." <input type="checkbox"/> Continued on attached sheet.		
<b>APRIL CLAXTON, TREASURER, 1507 MCKENZIE AVE, BELLINGHAM WA 98225</b>		
8. Campaign Bank or Depository <b>NECU</b>	Branch <b>BOLLY ST</b>	City <b>BELLINGHAM</b>
9. Related or Affiliated Political Committees. List name, address and relationship. <input type="checkbox"/> Continued on attached sheet.		
10. Campaign books must be open to the public by appointment between 8 a.m. and 6 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address.  Street Address, Room Number, City where campaign books will be available for inspection <b>1303 RAYMOND STREET, BELLINGHAM</b> <small>In order to make an appointment, contact the commission at telephone fax e-mail 360-201-0370 <a href="mailto:PRR@WACOMMISSION.PRAVEY.COM">PRR@WACOMMISSION.PRAVEY.COM</a></small>		

That is the listed email address for your treasurer.

If they aren't available to cover a books inspection, that's between you and them. I'm just following the law.

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On Mon, Aug 6, 2018 at 11:43 AM, Carol Frazey <carol@carolfrazey.com> wrote:  
 Hi Anthony,  
 I am still willing to meet at 1pm today.

Carol Frazey  
 360-820-0105  
<http://carolfrazey.com/>

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Re: Monday books inspection.

Anthony Wallace <acwallace78@gmail.com>

Reply all|

Mon 8/6/2018 11:54 AM

To:

Carol Frazey

Carol,

I am disabled. I utilize an HCA on days when I am sick. I was ready to go at 9:15 this morning. I started drafting my complaint shortly after, and the complaint has been filed.

I can't make myself not rely on scheduled use of others. I don't require accommodation from you, and I have not asked for it. I asked your campaign to follow the law. If your treasurer cannot meet the implied warranty of capacity, that reflects on your judgement.

I have not only Autism, but health problems which require that I time when I eat vs when I schedule anything for myself, within what I can. Since 915 this morning, I've been experiencing some health issues that occur when I get "worked up" so to speak. Stress legitimately makes things worse for me, medically speaking.

Further, right now, I would need to work the computer and process the information in my own terms. I complained about this last time that I was being denied access to the computer itself. This issue extends beyond a time and place.

You're too busy to follow the law. You're too busy to find a treasurer available for one of their core duties. I expected you to follow the law; you did not. This isn't about feelings - this is black and white.

I can adequately make my case before the PDC. You will not be able to. You can't claim you didn't know when I sent you the law.

I'm more than willing to express my position further, but you have to understand that my lense is that it is YOU, not me, that is hostile. I'm asking for something I have the right to, and you're telling me no - in violation of the law.

I feel that the PDC will be at very least fair. While you may not be fined, you will be documented as having done this, and my complaint will be noted as founded.

"Doing my best" is not enough if it falls below the standard of the law.

I said I'd file a complaint if the 48 hour request was not honored. I kept my word.

Best,

Photo sent to Whatcom Democrat's Campaign Chair, Catherine Chambers for approval to use on Vote Carol Frazey campaign mailer:



Please see "Final Carol Frazey Primary Mailer" pdf attached to this email.

## STATEMENT OF DANIEL A. RAAS RE: PDC COMPLAINT OF ANTHONY WALLACE AGAINST THE CAROL FRAZEY CAMPAIGN

I am the co-chair of the Candidates Committee of the Whatcom Democrats, the “functioning body of the Democratic Party of Whatcom County”. Bylaws, Art. I, Sec. 1. <https://www.whatcomdemocrats.org/about/#bylaws>. I am also a member of the Whatcom Dems’ Campaign Committee. I retired from the active general practice of law at the end of 2015, and currently am licensed to practice law only under the auspices of LAW Advocates of Whatcom County for pro bono purposes. I interacted with Mr. Wallace in his concerns with Ms. Frazey as a representative of the Whatcom Democrats and not in any other capacity. See e-mail from Raas to Wallace August 6, 2018, included with Ms. Frazey’s Statement..

This statement is divided into two sections: My direct interactions with Mr. Wallace in regards to Ms. Frazey’s campaign and an explanation of the Whatcom Dems’ Endorsement Process and how the status of ‘certified Democrat’ is achieved.

### Direct Interactions with Mr. Wallace.

Carol Frazey and I first met last April when she was contemplating running for the Whatcom County Council. As part of my duties as co-chair of the Candidates Committee, I spoke with her about what it takes to be a serious candidate, filing deadlines and resources of the PDC, Whatcom Democrats resources available to candidates, and similar matters. During the weeks before the Primary she attended the Campaign Committee meetings, which included discussions about mailers and other methods of campaigning. I have not been and am not part of her campaign organization.

On July 27, 2018, I received an e-mail from Campaign Committee Chair Catherine Chambers forwarding an e-mail from Ms. Frazey, which in turn contained an e-mail from Mr. Anthony Wallace. I was acquainted with Mr. Wallace because he has offered his skills in data analysis to the Whatcom Dems and to at least one campaign in which the Whatcom Dems were involved. While his presentations were impressive, the Whatcom Dems did not avail itself of his talents, nor, to the best of my knowledge, was he employed by any other campaign of a candidate certified or endorsed by the Whatcom Democrats in the last four years.

Mr. Wallace’s initial concern in Ms. Frazey’s campaign was her mailer upon which she referred to herself as a ‘certified democrat’. He accused her of deliberately trying to mislead the voters since, as he read it, the Whatcom Democrats’ Endorsement Policy prohibited her from such self-identification. His e-mail is reproduced as part of Ms. Frazey’s statement in this matter.

On August 1, 2018, Mr. Wallace demanded a meeting with Ms. Frazey to examine her books under the PDC Emergency Rule requiring that such inspection be granted within 48 hours

of the request. That inspection was set for 9:05 a.m. on Friday, August 3, at the Whatcom Dems' office. Ms. Chambers was unable to be there and requested that I attend in her stead as the Whatcom Dems' representative.

On August 3, I met with Ms. Frazey and her volunteer Treasurer, April Claxton, shortly before 9:00 am at the Whatcom Dems' Office. We briefly discussed the access to the campaign records to which Mr. Wallace was entitled, and how the inspection would proceed. Promptly at 9:05 Mr. Wallace arrived. Ms. Frazey and Ms. Claxton had set up Ms. Frazey's laptop computer open to her PDC filings. Mr. Wallace sat between Ms. Frazey and me, where he could see the screen, although I could not. He began by announcing that he was there pursuant to his request to examine the financial records of Ms. Frazey's campaign. She responded by offering to let him see all of her files. Mr. Wallace requested to view various pages of Ms. Frazey's filings, but he did not request, nor was did Ms. Frazey offer him, control of the laptop. He was satisfied with this level of access and at no time indicated that he was not getting to inspect records that he wanted to examine.

During his review of the records he focused on two instances representing payments to a campaign person which Ms. Frazey had characterized as "wages". Mr. Wallace insisted that if these payments were wages that Ms. Frazey had to report both IRS withholding and payments to the State for unemployment insurance and workers compensation premiums as part of her PDC reporting. Otherwise Ms. Frazey was violating the employment laws and could be in trouble with the federal and state governments. He appeared not to know the timing for tax withholding or for payments to the State. He further apparently was unaware that cash basis candidates (and taxpayers) report such payments when made, not when accrued. When Ms. Frazey clarified that this person was a consultant and she would file amended PDC reports that day to reflect that status. After she did so, Mr. Wallace e-mailed her expressing his satisfaction.

Mr. Wallace also examined several other items about which he had questions, but did not announce that he had found any other items he believed needed correction, including particularly the timing of the reporting of the payment for a campaign mailer that the Frazey Campaign sent out before the Primary. The delay in reporting this expenditure is the heart of his first allegation of violation by Ms. Frazey.

During the inspection Mr. Wallace mentioned that he could have been much tougher on Ms. Frazey if he had examined her with the template used by Mr. Glen Morgan. When I asked if he were adopting Mr. Morgan's analytical framework, Mr. Wallace expressed disdain with Mr. Morgan's testing, and, in response to my request not to mention Mr. Morgan again, he agreed. Mr. Wallace also told Ms. Frazey that she could either cooperate with him or he would turn his findings over to "Nan", who had over 500,000 twitter followers and could be guaranteed not to be friendly to Ms. Frazey. In answer to my question, Mr. Wallace declined to further identify Nan or her followers. Notwithstanding these threats, Mr. Wallace insisted that he was there to help Ms. Frazey stay in compliance with PDC regulations.



At the end of his examination of the records, Mr. Wallace said that he was satisfied with what he had found, and that if the forms reporting the payments to the consultant were amended to denominate these payments as such, rather than as 'wages', he had completed his examination and had found no other matters that he would report to the PDC. I asked him if the inspection which he had demanded on Monday, August 6, was still needed in light of the time that he had just spent, and he agreed, assuming that the corrections discussed were made, that it was unnecessary. Mr. Wallace left at about 9:25.

On Saturday, August 4, 2018, Mr. Wallace demanded that Ms. Frazey submit to a further inspection of her records on Monday, August 6, at 9:05 a.m. at the Whatcom Dems office. He again cited the PDC Emergency Rule giving him the unconditional right to insist on a records inspection within 48 hours of his demand. Although he had also sent this original demand to me, I declined to appear per my e-mail to him cited above. His inspection demand was not directed to the Whatcom Democrats.

#### The Whatcom Democrats Endorsement Policy

Mr. Wallace alleges that Ms. Frazey misled voters on a campaign mailer that she sent which identified her as a 'certified Democrat', in violation of the Endorsement Policy of the Whatcom Dems.

The Whatcom Dems' Endorsement Policy is found at <https://www.whatcomdemocrats.org/wp-content/uploads/2018/03/Candidate-and-Ballot-Measure-Endorsement-Process.pdf>. It contemplates a two step process to gain Whatcom Dems' approval: Section 2 deals with certification and Section 3 deals with endorsement. Certified Democrats obtain that status by one of three paths: prior endorsement, recognition by the Chair of the Whatcom Dems or submission of the signatures of twelve Precinct Committee Officers at least half of whom must reside in the district that the candidate aspires to represent plus recognition by the Chair.

Ms. Frazey quickly submitted her twelve PCOs and was approved by the Chair. This gave Ms. Frazey access to the non-consumable resources of the Whatcom Dems which included the use of our office for campaign related activities.

We held our Endorsement Meeting on June 11, 2018. The Endorsement Policy provides that any candidate, including a person who does not identify as a Democrat, may seek our endorsement. A candidate must receive two-thirds of the votes of those members present and voting in order to be endorsed. Once a candidate has achieved endorsement, the remaining certified candidates in that race lose their certified status and the access to Whatcom Dems' resources. The Endorsement Policy does permit dual endorsement, but such is rare. Four candidates were running for the County Council At Large position: Ms. Frazey, another certified Democrat, Aaron Thomas, and two candidates who self identified as Republicans. (The position is nominally non-partisan.) In this race and in two others where there were multiple certified Democrats running, all of the relevant candidates chose not to seek endorsement before the

Primary election. This meant that she and Mr. Thomas retained their certified status through the Primary. The Endorsement Policy does state that ‘A candidate may not refer to certification in their campaign or publicity, but the party has no authority to bar the candidate from describing him or herself as a Democrat.’ However, Ms. Frazey sought and received the permission of the Campaign Committee Chair to designate herself as a ‘certified’ Democrat on her mailer. There was neither any actual deception nor any intent to deceive.

Dated this 29<sup>th</sup> Day of August, 2018.

Daniel A. Raas

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## STATEMENT OF CATHERINE CHAMBERS RE: PDC COMPLAINT OF ANTHONY WALLACE AGAINST THE CAROL FRAZEY CAMPAIGN

This statement is my interactions with both Anthony Wallace and candidate Carol Frazey. On July 26th I received an email message from Mr. Wallace in which he understood that I was now the campaign chair and that he didn't know why he was not included in the campaign process since he has such extensive experience. I did not respond but later received a message from candidate Candidate Frazey on July 26th that she had received a complaint from Mr. Wallace regarding the use of Whatcom Democrats logo with the words Certified Democrat. I did not respond to Mr. Wallace's complaint as the campaign committee gave the candidate permission to use the logo and certified democrat on her literature. Mr. Wallace then requested to view the candidates financial records within a 48 hour time period. A member of our campaign committee did meet with Mr. Wallace, Candidate Frazey and her treasurer to review her financial records. I believe that Dan Raas has given an accurate account of the inspection of the books that took place according to the PDC rules within the 48 hour period of time.

On August 4th, Mr. Wallace requested to Candidate Frazey that he wanted to meet again on Monday, August 6th stating this was part of a "rolling request." I called the PDC on Monday, August 6th and spoke with Chip to ask about whether there was anything such as a "rolling request." I was told by Chip that there was no such thing and that Mr. Wallace would need to do another official request. Chip gave me his personal number for Mr. Wallace to call to check in about this. I let Candidate Frazey know this information which she in turn notified Mr. Wallace.

The next communication I received was that Mr. Wallace had filed a complaint because the candidate had not met with him at 9:05 on Monday, August 6th. I received a copy of the complaint forwarded to me by the candidate on August 15th with the deadline of August 29th to respond.

Respectfully Submitted,

Catherine Chambers  
Whatcom County Democrats  
Campaign Chair