

## State of Washington PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 (360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 ● E-mail: pdc@pdc.wa.gov ● Website: www.pdc.wa.gov February 8, 2021

Delivered electronically to campaign@letpeoplevote.org

Subject: PDC Case 81032, Complaint filed by Joseph Shoji Lachman

Dear Kan Qiu, Campaign Manager, Let People Vote:

Below is a copy of an electronic letter sent to Joseph Shoji Lachman concerning a complaint filed October 5, 2020 with the Public Disclosure Commission (PDC).

As noted in the letter to Joseph Shoji Lachman, the PDC dismissed this matter in accordance with RCW 42.17A.755(1) and WAC 390-37-070 and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

If you have questions, contact Alice Fiman toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,	Endorsed by,
/s	/s
Alice Fiman	Peter Lavallee
Compliance Officer	Executive Director



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Toll Free 1-877-601-2828 ● E-mail: pdc@pdc.wa.gov ● Website: www.pdc.wa.gov

February 8, 2021

Delivered electronically to josephl@acrs.org

Subject: Complaint regarding Let People Vote, PDC Case 81032

Dear Joseph Shoji Lachman:

The Public Disclosure Commission (PDC) completed its review of the complaint you filed October 5, 2020. The complaint alleged Let People Vote, a ballot measure committee formed to oppose Referendum 88, a statewide ballot proposition on the 2019 general election ballot, violated RCW 42.17A.435 by concealing the true source of contributions received by the ballot committee.

PDC staff reviewed the allegations, evidence you provided, applicable statutes and rules and the response provided by Kan Qiu to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found:

- Let People Vote (Committee) filed a Committee Registration with the PDC as a Ballot Measure Committee on May 12, 2019, selecting the Full Reporting option. The most recent Committee Registration listed Kan Qiu as Campaign Manager and Treasurer, and Sharon Hanek as Deputy Treasurer.
- During the 2019 election, the Committee filed Monetary Contribution (C-3) reports disclosing the receipt of close to \$1.6 million in total contributions received from more than 4,300 individuals, businesses and other persons.
- The complaint alleged the Committee and its supporters attempted to conceal the sources of contributions received by directing potential contributors to purchase products or services from businesses, and the business would then donate either the profits and/or the costs of the items or services purchased by individuals to the Committee as a contribution from the business.
- RCW 42.17A.435 states "No contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment."

- Kan Qiu responded to the complaint on behalf of the Committee stating: "The campaign (Committee) has documented all donors appropriately and has only accepted contributions from legal donors that provided their proper names, addresses, and employment information in accordance with RCW 42.17A.435. A statement regarding who is a legal donor was clearly displayed on the website."
- For your information, an individual purchasing an item or service from a business at the fair market value would not be considered to have made a reportable campaign contribution if the business wanted to contribute the costs and/or proceeds from that purchase to a political committee.
- Once a 'fee for service' activity has completed and the funds provided to the business, the funds are the property of the business, and if that business chooses to contribute, the contribution is attributed to the business.
- As noted in response to PDC complaint 81034 regarding A+ Learning Center, a business the Committee reported as receiving three donations totaling \$4,824 from, "The complaint alleged that donations from the business A+ Learning to the Let People Vote Campaign was not an original contribution form the business but was part of a concealment effort. A+ Learning is an after school tutoring service that specializes in Language Arts, Math, and test preparation. They have a steady clientele of families with children that use their services. The management of A+ Learning supported the Let People Vote campaign and over the year contributed to their campaign...The company only receives payments for the educational services and has never received payments that could be construed as a political pass through gimmick."
- No evidence was provided or found by PDC staff that the businesses listed failed to
  provide the services or items purchased to customers, or that the goods or services were
  sold for more or less than fair market value.

Based on these findings staff has determined, in this instance, the alleged violation of RCW 42.17A.435 does not amount to a violation warranting further investigation as there is no evidence purchases were made for items and services at other than market value.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1) and WAC 390-37-070.

If you have questions, contact Alice Fiman toll-free at 1-877-601- 2828, or by e-mail pdc@pdc.wa.gov.

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Alice Fiman	Peter Lavallee
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