



**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: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov) • Website: [www.pdca.wa.gov](http://www.pdca.wa.gov)**

September 22, 2022

Sent electronically to James Ray Smith

Subject: Complaint filed by Darlarae Osborn, PDC Case 108364

Dear James Smith:

Enclosed is a copy of an electronic letter sent to Darlarae Osborn concerning a complaint she filed on May 12, 2022, against your 2021 Campaign for Mayor of the City of Lynnwood

On September 8, 2022, the PDC received a signed Statement of Understanding (SOU) completed by you acknowledging violations of RCW 42.17A.235 and .240 by failing to timely and accurately file Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contributions and Expenditure reports (C-4 reports) for your 2021 Mayoral campaign. The receipt of the SOU and the payment of the \$600 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule) resolves the issue of failing to timely and accurately file the three C-4 reports and one C-3 report.

Pursuant to WAC 390-37-060(1)(d), the PDC is issuing a formal written warning to you concerning the requirement to include the complete the sponsor identification on political advertising sponsored by your Campaign, including the words "Paid for" or "Sponsored by" followed by your name and the complete mailing address. The formal written warning includes staff's expectation that you will include the sponsor identification on all political advertisements sponsored by you in the future. The Commission will consider this formal written warning in deciding on further Commission action, should there be future violations of PDC laws or rules.

If you have questions, please contact PDC Compliance Officer Kurt Young by e-mail.

Sincerely,

Endorsed by,

/s\_\_\_\_\_  
Electronically Signed Kurt Young  
PDC Compliance Officer

/s\_\_\_\_\_  
Electronically Signed Peter Lavallee  
PDC Executive Director



**Public Disclosure Commission**  
Shining Light on Washington Politics Since 1972



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September 22, 2022

Sent electronically to Darla Rae Osborn

Subject: Complaint filed against James Smith, PDC Case 108364

Dear Darla Rae Osborn:

Public Disclosure Commission (PDC) staff has completed its review of the complaint you filed on May 12, 2022, against James Smith, a 2021 candidate for Mayor of the City of Lynnwood, and an incumbent Lynnwood City Council member. The complaint alleged that James Smith violated: (1) RCW 42.17A.235 and .240 by failing to timely and accurately disclose contribution and expenditure activities on Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contributions and Expenditure reports (C-4 reports); (2) RCW 42.17A.320 for failing to include the complete sponsor identification on political advertising sponsored by the candidates Campaign; and (3) RCW 42.17A.205 for failing to timely file a Candidate Registration within two weeks of declaring his candidacy for Mayor of Lynnwood in 2021.

PDC staff reviewed the allegations listed in the complaint; the applicable statutes, rules, and 2021 candidate reporting requirements; the C-3 and C-4 reports filed by the James Smith Campaign (Campaign), and the email responses from the Campaign, to determine whether the record supports a finding of one or more violations. Based on staff's review, we found the following:

- On February 24, 2021, James Ray Smith filed a Candidate registration with the PDC declaring his candidacy for Mayor for the City of Lynnwood, selecting the Full Reporting option, and listing himself as Treasurer. Mr. Smith previously served several terms on the Lynnwood City Council before seeking election in 2019, and he is an incumbent Lynnwood City Council member after being elected to the office in that year.
- On October 4, 2021, the Campaign filed the Post-Primary Election C-4 report disclosing \$6,987 in total contributions received, and \$6,599 in total expenditures made, with \$1,241 in outstanding candidate loans from May 18, 2021. The Post-Primary Election C-4 report was required to have been filed no later than September 10, 2021 and was filed 24 days late.
- On October 4, 2021, the Campaign filed a C-3 report disclosing \$4,600 in monetary contributions have been received from six individuals and deposited on October 4, 2021, that included four \$1,000 monetary contributions received from Mike Echelbarger, Larry Sundquist, and Jane/Sun Lee, and a \$500 monetary contribution from Mark Echelbarger.

- The original C-3 report filed by the Campaign failed to include the occupation and employer information for Mike Echelbarger, and inadvertently listed the date received for the contribution as December 16, 2020.
- On June 30, 2022, the Campaign filed an amended C-3 report disclosing Mike Echelberger's occupation and employment information as "Retired", and correcting the date received for the contribution from Mr. Echelbarger from December 16, 2020, to September 16, 2021. The amended C-3 report with the corrected date received for this contribution resolves the allegation listed in your complaint concerning the late candidate registration, as the candidacy did not actually begin in late 2020.
- On July 17, 2022, the Campaign filed the 21-Day Pre-General Election C-4 report covering the period September 1 through October 11, 2021, disclosing that \$4,600 in monetary contributions had been received, and \$4,036 in expenditures made. The 21-Day Pre-General Election C-4 report was due to have been filed no later than October 12, 2021 and was filed 278 days late by the Campaign.
- The 21-Day Pre-General Election C-4 report disclosed a \$3,471 expenditure was made to James Smith on October 7, 2021, for "Postage costs, mail permits, and purchase of stamps", and two expenditures totaling \$565 were made to USPS also on October 7, 2021, for "Postage costs, mail permits, and purchase of stamps."
- On August 7, 2022, the Campaign filed the 7-Day Pre-General Election C-4 report covering the period October 12 through 25, 2021, disclosing \$1,971.77 in candidate in-kind contributions had been received and \$3,275.46 in expenditures had been made. The 7-Day Pre-General Election C-4 report was due to have been filed no later than October 26, 2021 and was filed 281 days late by the Campaign.
- The 7-Day Pre-General Election C-4 report disclosed: (1) a \$1,329.32 expenditure was made to ADG Printing on October 20, 2021, to print 2,000 Postcards; (2) five expenditures were made to the USPS between October 13 through 18, 2021, totaling \$1,896.63 for postage costs; (3) a \$1,329.32 candidate in-kind contribution/loan was made to ADG Printing on October 21, 2021, to print postcards; and (4) a \$642.45 candidate in-kind contribution/loan was made to the USPS on October 23, 2021, for postage paid.
- On August 7, 2022, the Campaign filed the Post General Election C-4 report covering the period October 26 through November 30, 2021, disclosing \$2,070.47 in candidate in-kind contributions received and \$3,418.16 in expenditures made. The Post General Election C-4 report was due to have been filed no later than December 10, 2021 and was filed 241 days late by the Campaign.
- The Post General Election C-4 report disclosed: (1) a \$2,000.05 expenditure made to ADG Printing on October 26, 2021, to print 2,000 Postcards; (2) a \$1,418.11 expenditure made to James Smith reimbursing him for "Printing literature, fliers, postcards, etc..."; and (3) a total of \$2,070.47 candidate in-kind contribution/loan were made that included \$2,000.05 made to ADG Printing on October 27, 2021, to print 2,000 Postcards, and \$70.42 for postage.
- On August 22, 2022, the Campaign filed a C-3 report disclosing \$2,000 in monetary contributions had been deposited on November 1, 2021. The contributions included a \$1,000 monetary contribution received from an individual on November 1, 2021; and two \$500 monetary contributions received on October 14, 2021, from the Lynnwood Police Officers Association and the Snohomish County Republican Party, respectively.

- The two \$500 contributions received by the Campaign on October 14, 2021, were required to be disclosed on a C-3 report by October 25, 2021, and the \$1,000 contribution was required to have been disclosed no later than December 10, 2021.
- Between August 23 through 30, 2022, the Campaign filed amended C-4 reports for the 2021 election for the months of May and June, and the 7-Day Pre-Primary C-4 report correcting information previously disclosed on those reports.
- On September 8, 2022, PDC staff received a signed Statement of Understanding (SOU) in the mail along with a check for the \$600 civil penalty in this matter to resolve the allegations concerning the late filed C-3 and C-4 reports. The SOU completed by Mr. Smith acknowledged violations of RCW 42.17A.235 and .240 for failing to timely file three C-4 reports and one C-3 report during the 2021 election cycle.

As noted above, the amended C-3 report corrected the date received for the Mike Echelbarger contribution, so no evidence was found that the James Smith Campaign failed to timely register as a candidate for the 2021 election cycle, and that allegation is dismissed.

The three C-4 reports and one C-3 report listed above were all filed by the Campaign well after the November 2, 2021, general election had been held, and are campaign finance violations of RCW 42.17A.235 and .240. Mr. Smith completed a SOU acknowledging violations of RCW 42.17A.235 and .240, and he paid a \$600 civil penalty to resolve the three late filed C-4 reports that included the 21-Day and 7-Day Pre-General Election C-4 reports, the Post General Election C-4 report, and one late filed C-3 report.

As to the sponsor identification allegation, pursuant to WAC 390-37-060(1)(d), the PDC is issuing a formal written warning to James Smith concerning the requirements to include the complete sponsor identification on political advertising sponsored by his Campaign, including the words "Paid for" or "Sponsored by" followed by his name and the complete mailing address. The formal written warning resolves that allegation and includes staff's expectation that James Smith will include the sponsor identification on all future political advertisements sponsored by him. James Smith will be advised that the Commission will consider this formal written warning in deciding on further Commission action, should there be future violations of PDC laws or rules.

Based on these findings, including the completed SOU, PDC staff found no evidence of further violations that would require conducting a more formal investigation into the complaint or pursuing enforcement action in this instance. James Smith served as his own Treasurer, and he has no prior PDC violations or complaints filed against him.

The PDC has dismissed this matter in accordance with RCW 42.17A.755(1). If you have questions, please contact PDC Compliance Officer Kurt Young by e-mail.

Sincerely,

Endorsed by,

/s

Electronically Signed Kurt Young  
Compliance Officer

/s

Electronically Signed Peter Lavallee  
PDC Executive Director



cc: James Smith