



**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 • Website: www.pdcc.wa.gov

January 13, 2023

Delivered electronically to Mike Hadaller at "michaelhadaller@hotmail.com"

Subject: Complaint filed by Karlene Raines, PDC Case 113464

Dear Mr. Hadaller:

Below is a copy of an electronic letter sent to Karlene Raines concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Karlene Raines, the complaint has been resolved through a Statement of Understanding. The PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

PDC staff is reminding you about the importance of submitting an updated C-1 report under the "Full Reporting" option by the required deadlines as part of a written request to change reporting options in accordance with PDC statutes and rules. PDC staff expects in the future that you will timely submit a C-1 report if it becomes necessary to change reporting options as a candidate for public office in accordance with PDC laws and rules.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Electronically signed

Jennifer Hansen
Compliance Officer

Endorsed by,

Electronically signed

Peter Frey Lavalley
Executive Director



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January 13, 2023

Delivered electronically to Karlene Raines at “karleneraines@yahoo.com”

Subject: Complaint regarding Mike Hadaller, PDC Case 113464

Dear Karlene Raines:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 19, 2022. The complaint alleged that Mike Hadaller, a 2022 candidate for Commissioner for Lewis County Public Utility District 01 may have violated: (1) RCW 42.17A.205 & WAC 390-16-125 by exceeding mini reporting limitation and failing to update the Committee Registration Statement (C-1 report); and (2) RCW 42.17A.235 & .240 for failure to timely and accurately file Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing contributions and expenditures undertaken by the Campaign

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the responses provided by the Respondent; the applicable PDC reports filed by the Respondent; and queried the Respondent’s data in the PDC contribution and expenditure database; and other relevant information, to determine whether the record supports a finding of one or more violations.

Based on staff’s review, we found the following:

- On June 12, 2022, Mike Hadaller submitted a Candidate Registration (C-1 report) declaring his candidacy for Commissioner for Lewis County Public Utility District 01 in the 2022 election, listing himself as Treasurer and choosing the “Mini Reporting” option.
- RCW 42.17A.235 states, in part, that each candidate must file with the commission a report of all contributions received and expenditures made on the next reporting date pursuant to the timeline established in this section and RCW 42.17A.240 describes the content of C-3 and C-4 reports.
- WAC 390-16-125 states in part that a candidate wishing to change from mini to full reporting must apply electronically to the PDC for authorization to change reporting options before the limitations specified in WAC 390-16-105 are exceeded.
- The complaint alleged that the 2022 Hadaller Campaign was registered under the “Mini Reporting” option but had raised and spent more than the \$5,000 limit and had not filed any C-3 or C-4 reports disclosing campaign activities or submitted an amended C-1 report switching the “Full Reporting” option as of the date of the complaint.
- The 2022 Hadaller Campaign initially exceeded the \$5,000 total contribution limit for campaigns registered under the “Mini Reporting” option on August 15, 2022 after receiving a \$500 monetary contribution. The C-4 report later filed covering September 1,

2022 to October 17, 2022 showed that the Campaign exceeded the \$5,000 total contribution limit by \$9,953.04.

- On October 25, 2022, Mr. Hadaller submitted a request to PDC Staff requesting to change from mini to full reporting.
- On October 25, 2022, PDC Staff notified the 2022 Hadaller Campaign that their request to change from mini to full reporting was denied because the Campaign had missed the deadline of August 31, 2022 for candidates appearing on the general election ballot.
- On October 28, 2022, the Campaign filed C-3 and C-4 reports disclosing campaign activity from May 16, 2022 to October 19, 2022.
- The 2022 Hadaller Campaign submitted fourteen C-3 reports disclosing \$14,953.04 in total deposits between 4 and 144 days late.
- The 2022 Hadaller Campaign submitted five C-4 reports disclosing \$6,039 in total expenditures between 10 and 140 days late.
- In his response, Mr. Hadaller stated that, as a first-time candidate, he did not realize how much would be spent running for public office and at the beginning of his campaign he was sure that the \$5,000 mini reporting limit would be sufficient.
- PDC Staff requested that the 2022 Hadaller Campaign file C-3 and C-4 reports disclosing all campaign activity despite missing the deadline to switch reporting options and having the request denied in order to help resolve the complaint filed against the Campaign.
- Mr. Hadaller apologized for his oversight and stated that the errors were unintentional.

The Respondent was a first-time candidate in the 2022 election. Upon receipt of the October 19, 2022, complaint, the Hadaller Campaign filed C-3 and C-4 reports and amend as necessary to accurately disclose all campaign activity. It appears that the exceeding of mini reporting limits was due to the limited experience of the Respondent and not done intentionally to mislead the public. Staff found that the Respondent promptly responded to the complaint by submitting reports disclosing 2022 campaign activities.

Pursuant to WAC 390-37-060(1)(f), the PDC received a completed Statement of Understanding (SOU) on January 12, 2023, from Mike Hadaller acknowledging a violation of RCW 42.17A.235, .240 and WAC 390-16-125 for failure to timely and accurately file C-3 and C-4 reports and exceeding mini reporting limits. Mr. Hadaller paid a \$300 total (\$150 for exceeding mini reporting limits and \$150 for late filed C-3 and C-4 reports) civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), which resolves the issue.

Based on our findings staff has determined that, in this instance, failure to timely submit an updated C-1 report switching to the “Full Reporting” option prior to exceeding mini reporting limits, does not amount to a finding of a violation that warrants further investigation. Pursuant to WAC 390-37-070, PDC staff is reminding Mike Hadaller about the importance of submitting an updated C-1 report under the “Full Reporting” option by the required deadlines as part of a written request to change reporting option in accordance with PDC statutes and rules.

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).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Endorsed by,

Electronically signed

Jennifer Hansen
Compliance Officer

Electronically signed

Peter Frey Lavalée
Executive Director

cc: Mike Hadaller