



**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

September 21, 2023

Delivered electronically to "hilary@hilaryfranz.com"

Subject: PDC Case 139429

Dear Hilary Franz:

Enclosed is a copy of an electronic letter sent to Samuel Daheim concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the enclosed letter to Samuel Daheim, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(d), this letter serves as a formal warning concerning your failure to timely report expenditures, including debts and orders placed for work performed to benefit your 2024 campaign for Governor. Staff expects the 2024 Hilary Franz campaign for Governor to timely file all future reports detailing campaign expenditures, including estimating orders placed if an invoice has not yet been issued by the vendor. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

If you have questions, you may contact Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,
Electronically Signed Philip E. Stutzman
Phil Stutzman
Compliance Officer

Endorsed by,
Electronically Signed Peter Frey Lavallee
Peter Frey Lavallee
Executive Director



**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.pdc.wa.gov

September 21, 2023

Delivered electronically to "samdaheim@gmail.com"

Subject: Complaint regarding Hillary Franz, PDC Case 139429

Dear Samuel Daheim:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June 23, 2023. Your complaint alleged that Hillary Franz may have violated RCW 42.17A.235 and .240 by failing to timely and accurately report campaign expenditures; and RCW 42.17A.445 by using campaign funds from the 2024 Lands Commissioner campaign to pay expenses for the 2024 Gubernatorial campaign.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the responses provided on behalf of Hillary Franz by Jason Bennett; the applicable PDC reports filed by Respondent; 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:

- The complaint was filed June 23, 2023, citing examples of activities occurring in May 2023 that supported Hilary Franz's 2024 Gubernatorial campaign but had not yet been reported by the Gubernatorial campaign or appeared to have been paid for with 2024 Lands Commissioner funds.
- The Franz campaign stated Hilary Franz announced her candidacy for Governor on May 10, 2023, and said from the end of the legislative session to the May 10th announcement work was performed by the digital team and by the consultants on behalf of the 2024 Lands Commissioner race. The campaign stated that since May 10, most campaign work has been in support of the Gubernatorial campaign, although some work was done to close down and transfer contributions from the Lands Commissioner race to the Gubernatorial campaign. Jason Bennett, Treasurer for both campaigns, stated the invoices for work performed were split fairly on a pro rata basis between the two campaigns.
- The May C-4 report for the 2024 Gubernatorial campaign was filed June 12, 2023 and included \$10,214.07 in Orders Placed/Debts/Obligations. The May C-4 report was amended on August 10, 2023 and included Orders Placed/Debts/Obligations totaling \$26,232.49. The increase was

primarily for obligations to AL Media, LLC for video production totaling \$9,300 and to North Star Strategies, LLC for its May campaign services fee of \$6,260.

- Mr. Bennett stated the North Star expense was pro-rated properly but listed twice on the May 2024 Lands Commissioner C-4 report as a debt instead of one pro-rata portion on the Gubernatorial C-4 report and one pro-rata portion on the Lands Commissioner C-4 report. However, the payment for May campaign services owed to North Star Strategies, LLC was made correctly on the June C-4 report and detailed specifically as work performed in May 2023. The campaign amended the original 2024 Lands Commissioner C-4 report and the 2024 Gubernatorial C-4 report for May to correct the amount reported for Orders Placed/Debts/Obligations.
- The May C-4 report for the Gubernatorial campaign disclosed an expenditure on May 31, 2023 to Bossy, LLC, described as the "pro-rated May fundraising fee." The campaign stated that Bossy LLC was the lead fundraising team for the Gubernatorial campaign in May with supplemental text fundraising assistance from Run the World.
- For June, Run the World was the lead fundraising team and invoiced \$6,000 for their work in June. Payment was made on June 8, 2023 and reported on the June C-4 report. Previous invoices paid before the May texting program were for Lands Commissioner campaign work. Mr. Bennett stated these expenditures were properly reported.
- Mr. Bennett stated the video work detailed in the complaint was work provided for the Gubernatorial campaign by AL Media, LLC. Mr. Bennett said the vendor intended to send an invoice at a later time when they are fully retained. Mr. Bennett estimated the cost for the video work at \$9,300 and included that amount as a debt on amended C-4 reports for May and June, and on the July C-4 report. The August 2023 C-4 report disclosed a payment to AL Media, LLC on August 5, 2023 for \$9,300.
- The reporting errors made by the 2024 Hilary Franz campaign for Governor occurred nearly 18 months before the 2024 general election and reports have been amended.
- No evidence was found that Hilary Franz used her 2024 Lands Commissioner funds for the personal purpose of supporting her 2024 Gubernatorial campaign.
- No evidence of prior violations for similar reporting was found.

Based on these findings, staff has determined that in this instance, the failure to timely report campaign expenditures for her 2024 Gubernatorial campaign does not amount to a violation warranting further investigation.

However, pursuant to WAC 390-37-060(1)(d), Hillary Franz will receive a formal written warning concerning her failure to timely report expenditures, including debts and orders placed for work performed to benefit her 2024 campaign for Governor. The formal written warning will include staff's expectation that Hillary Franz timely reports expenses, including debts and orders placed. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or 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 Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdcpdc.wa.gov.

Sincerely,
Electronically Signed Philip E. Stutzman
Phil Stutzman
Compliance Officer

Endorsed by,
Electronically Signed Peter Frey Lavallee
Peter Frey Lavallee
Executive Director

cc: Hillary Franz