



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

May 22, 2019

Delivered electronically to Michael Bell, with Safer Spokane

Subject: Complaint filed against Safer Spokane, PDC Case 26493

Dear Mr. Bell:

Below is a copy of an electronic letter sent to Arthur Whitten concerning a complaint filed with the Public Disclosure Commission (PDC) against Safer Spokane Committee. As noted below to Mr. Whitten, the PDC 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) PDC staff is hereby formally warning Safer Spokane and its Officers concerning the importance of timely registering as a political committee and timely filing the required C-3 and C-4 reports disclosing contribution and expenditure activities in accordance with PDC laws, rules and reporting requirements for a ballot committee. This formal written warning includes staff's expectation that Safer Spokane and its Officers will timely register and report as a ballot committee, if its Officers register another political committee in the future under the Full Reporting Option, including adhering to the anonymous contribution limits. The Commission will consider this 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 has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at 360-664-8854, toll-free at 1-877-601-2828 or by e-mail kurt.young@pdcc.wa.gov.

Sincerely,

Endorsed by:

s/_____
Kurt Young, Compliance Officer

s/_____
Peter Lavalley, Executive Director



Public Disclosure Commission
Shining Light on Washington Politics Since 1972



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

May 22, 2019

Sent electronically to Arthur Whitten

Subject: Complaint filed against Safer Spokane; PDC Case 26493

Mr. Whitten:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 23, 2017 against Safer Spokane (Committee), a local Spokane ballot measure committee registered with the PDC to support a local ballot measure concerning oil and coal trains on the November 7, 2017 general election ballot. The complaint alleged that the Committee may have violated: (1) RCW 42.17A.205 by failing to timely register as a ballot committee; (2) RCW 42.17A.235 and .240 by failing to timely file Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities; and (3) RCW 42.17A.320 by failing to include the Top 5 contributor information in the sponsor identification for political advertising.

PDC staff reviewed the allegations listed in the complaint, the statutes, rules and reporting requirements for a ballot committee, queried the PDC contribution and expenditure database for the Committee, reviewed the Committee Registration (C-1pc report), C-3 and C-4 reports filed by the Committee, and the responses to the complaint provided by Jim Lee, Committee President. Based on staff's review, we found the following:

- On September 13, 2017, Safer Spokane filed a Committee Registration (C-1pc report) with the PDC registering as a New Ballot Committee and selecting the Full Reporting Option for the November 7, 2017 general election ballot, as a committee in support of Proposition #1 for the City of Spokane. Safer Spokane was a first-time political committee, and the C-1pc report listed Michael Bell as the Committee Treasurer, Todd Eklof as Committee Manager, and Jim Lee as Committee President.
- On September 13, 2017, the Committee filed its initial C-3 and C-4 reports covering activities for the period November 14, 2016 through August 31, 2017, and disclosing \$3,595 in monetary and in-kind contributions received, \$1,966 in expenditures made, with a \$1,629 cash on hand balance.
- The Committee's initial activity was a \$50 in-kind contribution received from Michael Bell on November 14, 2016, to register the organization with the Secretary of State's Office. Based on the November 14, 2016 date when the Committee received a \$50 in-kind contribution, the C-1pc report was due to have been filed no later than November 29, 2016. The Committee filed the C-1pc report 288 days late.

- There were no C-4 reports required for January, May, and August of 2017, since the Committee did not receive or expend more than \$200 during those periods.
- On October 17, 2017, the Committee timely filed the 21-Day Pre-General Election C-4 report disclosing \$2,675 in monetary contributions received and \$3,238 in expenditures made. The \$3,238 in expenditures timely disclosed included a \$2,500 expenditure made to Emerald Outdoor Advertising on October 15th for billboard advertising, and two expenditures totaling \$523 to print literature and yard signs and to purchase yard sign materials. The expenditures disclosed on this C-4 report represented 45.4 percent of total Committee expenditures.
- On October 30, 2017, the Committee timely filed the 7-Day Pre-General Election C-4 report disclosing \$869 in monetary and in-kind contributions received, and \$727 in expenditures made that included a \$483 expenditure to Zoo Printing made on October 23rd to print flyers, a \$169 in-kind contribution from an individual to update billboard advertisements, and two expenditures to Facebook for advertising totaling \$75.
- The Committee disclosed receiving a total of \$7,138 in monetary contributions received and \$7,138 in expenditures made, which included the receipt of \$374 in anonymous contributions for the 2017 election cycle, which is \$74 in excess of the \$300 anonymous contribution limits. PDC staff advised the Committee concerning the anonymous contribution limits and queried whether they could ascertain the source of anonymous or unidentified contributions that exceeded the \$300 limit. In addition, staff advised the Committee that the excess anonymous funds that cannot be identified "*shall escheat to the state and shall be paid to the state treasurer for deposit in the state general fund.*"
- The Committee was unable to identify the source of the contributors that exceeded the anonymous limits, and PDC staff received a \$74 check from the Committee on May 20, 2019, designated for the state general fund.
- Concerning the sponsor identification allegation, the Committee acknowledged that it failed to initially include its top contributors (only three exceeded the \$700 threshold) on political advertisements in the form of billboard advertising. However, the Committee took corrective action and included its top three contributors on the billboard advertising prior to the election as required, "as soon as physically possible after receiving the notice of complaint." The Committee attached photographs of the corrected billboard sponsor identification along with the response.

Based on these findings, and the facts that Safer Spokane: (1) was a first-time committee with limited knowledge of the PDC reporting requirements; (2) timely filed the 21-Day and 7-Day Pre-General Election C-4 reports; (3) was a small, unsophisticated, all-volunteer committee with less than \$7,200 in total expenditures made to run a local initiative committee; and (4) timely sent a \$74 check when made aware of the anonymous contribution limits to resolve that issue, in this instance, the failure to timely register as a political committee and file C-3 and C-4 reports as a ballot committee does not amount to a finding of an actual violation warranting further investigation.

However, pursuant to WAC 390-37-060(1)(d) PDC staff is formally warning Safer Spokane and its Officers concerning the importance of timely registering as a political committee, and timely filing C-3 and C-4 reports disclosing contribution and expenditure activities as required by PDC laws, rules and reporting requirements for a ballot committee.

The formal written warning will include staff's expectation that Safer Spokane and its Officers will timely register and disclose its contribution and expenditure activities as a ballot committee, if its Officers register another political committee under the Full Reporting Option in the future. 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 has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at 664-8854, toll-free at 1-877-601-2828 or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by:

s/_____
Kurt Young, Compliance Officer

s/_____
Peter Lavalley, Executive Director

cc: Safer Spokane

