

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

October 21, 2025

Delivered electronically to mayorcassiefranklin@gmail.com

Subject: PDC Case 175425 Regarding Cassandra Franklin

Cassie Franklin:

The Public Disclosure Commission (PDC) completed its review of the complaints filed by Conner Edwards on July 3, 2025 and August 26, 2025. The complaints alleged violations of RCW 42.17A.235 and .240 by failing to timely and accurately report contributions and expenditures during your 2025 reelection campaign.

PDC staff reviewed examples cited by the complainant concerning possible inadequate descriptions for monetary expenditures and in-kind contributions and asked Respondent to review the examples and file amended reports, as needed, for descriptions of monetary expenditures, in accordance with <u>WAC 390-16-037</u>, and in accordance with <u>WAC 390-16-205</u> when an agent is used to make expenditures on behalf of the campaign. Staff asked Respondent to report, as needed in amendments, the number of items printed, and for signs, including yard signs and decals, the number of items purchased.

Applicable Laws & Rules

RCW 42.17A.235 and .240 - A committee that selects the Full Reporting option on their C-1pc report is required to report contributions and expenditures to the PDC on C-3 reports and C-4 reports pursuant to RCW 42.17A.235 & RCW 42.17A.240. The due dates for these reports are based upon the election cycle, the committee's election participation, and their financial activity.

WAC 390-16-037 requires political committees to disclose the purpose of expenditures reported under RCW 42.17A.240, including the name of any candidate supported or opposed by the expenditure, and the details of goods and services to be provided by the recipient of the expenditure.

WAC 390-16-205 states, in part: (1) Expenditures made on behalf of a candidate or political committee by any person, agency, consultant, firm, organization, etc., employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or committee's efforts shall be deemed expenditures by the candidate or committee. In accordance with WAC <u>390-16-037</u>, such expenditures

shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly.

- (2) If any person, agency, consultant, firm, organization, etc., employed or retained by the candidate or political committee subcontracts or otherwise has an agreement with a subvendor or other third party to provide or perform services, the expenditures paid to that subvendor or other third party must also be disclosed.
- (3) Fees paid to consultants or other agents must be disclosed by candidates or political committees as an expenditure. In addition, when subvendors are used, the candidate or political committee must disclose any portion of the expenditure retained by the consultant or other agent.

Background & Findings

- Cassie Franklin was elected to the Everett City Council in 2015. Franklin was elected Mayor of Everett in 2017 and 2021 and is a candidate for reelection in 2025.
- Franklin's 2025 reelection campaign started in January 2022 with Michael Swanson serving as treasurer. Lindsay Cortes became Franklin's treasurer for her 2025 campaign in March 2024.

Below are the allegations included in the complaints and staff's notations of possible inadequate descriptions of monetary expenditures and in-kind contributions, along with the campaign's response and summary of amended reports.

The first complaint alleged that:

- C-3 Report 110 295 353 totaling \$5,650 was filed 22 days late. Staff confirmed that the C-3 was filed 22 days late.
- C-3 Report 110 295 354 totaling \$500 was filed 15 days late. Staff confirmed that the C-3 was filed 15 days late.
- Proper expenditure descriptions are missing for several entries in the campaign's 2025 C-4 reports, typically relating to printing expenses.

The Franklin campaign stated, "We have carefully reviewed the issues noted and taken corrective action where necessary. Specifically, we have filed amended C4 reports to include additional subvendors and correct any expense reporting discrepancies where necessary. These updates should now accurately reflect all required disclosures. However, many of the items noted from 3/15/23-4/08/25 did not use subvendors, so no action was taken other than clarifying that in our response below."

- Mar. 15, 2023 expenditures for Communications Council, Inc. (CCI). Report 110 142 626. <u>Response</u>: No subvendors – paid for legal consulting and communications; Communications Council, Inc. did not spend money on the campaign's behalf.
- May 1 May 31, 2023 Legal and Consulting Fees. <u>Response</u>: No subvendors paid for legal consulting and communications; Communications Council, Inc. did not spend money on the campaign's behalf.
- May 5, 2023 CCI. \$1,104. Response: No subvendors paid for legal consulting and communications; Communications Council, Inc. did not spend money on the campaign's behalf.

- June 1, 2023 C-4, June 7, 2023 expenditure to CCI for \$2,085.00. <u>Response:</u> No subvendors paid for legal consulting and communications; Communications Council, Inc. did not spend money on the campaign's behalf.
- July 8, 2024; Aug. 15, 2024; and Sep. 8, 2024. TFC for \$1,000. Response: No subvendors paid for design and consulting.
- Sep. 19, 2024 Apex Art & Culture Center. Food for campaign event for \$940.00. <u>Response:</u> *No subvendors paid for food.* C-4 amended Sep. 5, 2025.
- Oct. 21, 2024 Apex Art & Culture Center. Food for campaign event. <u>Response:</u> *No subvendors paid for food.*
- Oct. 21, 2024; Nov. 12, 2024; and Dec. 2, 2024. J. Donovan Smith Creative for \$3,000 each. Response: *No subvendors paid for design and campaign management.*
- Dec. 9, 2024 TFC \$1,000 twice. Response: No subvendors paid for design and consulting.
- Feb. 13, 2025 TFC \$8,000. Response: *No subvendors paid for design and consulting.*
- Feb. 3, 2025; Mar. 10, 2025; Apr. 8, 2025 J. Donovan Smith Creative for \$3,000 each. Response: *No subvendors paid for design work and campaign management.*
- Apr. 11, 2025 and Apr. 18, 2025 Countryman Signs. Response: *Updated on amended C4 report*. (Amended July 21, 2025)
 - o 4/11: decals for 400 signs
 - o 4/18: decals for 200 signs
- Apr. 25, 2025 Overnight Printing Seattle. \$1,688.35. Response: *Updated on amended C4 report.* 50 yard signs with stakes. (Amended July 21, 2025)
- Apr. 29, 2025 Pacific Copy and Print. Response: Updated on amended C4 report. 250 thank you cards. (Amended July 21, 2025)
- Apr. 29, 2025 4Over, LLC. <u>Response</u>: *Updated on amended C4 report. 500 walking pieces*. (Amended July 21, 2025)
- Apr. 24, 2025 In-Kind contribution JD Smith \$425.40. Response: *Updated on amended C4 report.* (Amended July 21, 2025)
 - o 2000 walking pieces
 - o 4over, LLC
 - o 1225 Los Angeles Street, Glendale, CA 91204
- Apr. 25, 2025 In-Kind Sean Straub Two Banners \$304.40. Response: *Updated on amended C4 report.* (Amended July 21, 2025)
 - o GotPrint.com
 - o Burbank Airport Center, 7651 N San Fernando Rd, Burbank, CA 91505
- May 9, 2025 Countryman Signs \$652.81. <u>Response</u>: *Updated on amended C4 report*. (Amended July 21, 2025)
 - o 200 2 3/4 x22 for \$2 each
 - o 13 5.5x45 for \$10 each
 - o 8 2x47 for \$8 each
 - o Invoice dated 4/25/25

The second complaint alleged that:

- As of Aug. 8, 2025, the campaign had not disclosed any contributions received in August 2025. Response from Lindsay Cortes, Treasurer: "We acknowledge that C-3 reports for contributions received in August were filed on September 2, 2025, instead of on a weekly basis, as required beginning June 1. This was due to a misunderstanding on my part—I believed weekly C-3 filings were required only through the primary election. I now understand that the weekly filing requirement continues through the general election, and I have taken corrective action to ensure that all future C-3 reports are filed timely on Mondays as required. Apologies for this oversight."
- C-3 reports of deposits made in August for contributions received in July, filed Aug. 22, 2025, were due by Aug. 11 and were filed 11 days late. Response from Lindsay Cortes, Treasurer: "The original C-3 covering July 30 contributions was filed on August 4, 2025, in compliance with the reporting deadline. An amended C-3 was later filed on August 22, 2025, to correct an error where \$600 was incorrectly attributed to the wrong spouse (corrected from Maureen Lico to James Lico). The contributions themselves were reported timely, and the amendment was filed promptly upon discovery of the error."
- An amended C-3 filed Aug. 22, 2025 included previously unreported contributions totaling \$600. Response from Lindsay Cortes: "As noted above, these contributions were reported on the timely August 4 C-3. The August 22 filing was an amendment correcting the name of the spouse making the contribution, not a late report of new contributions."
- The campaign's Stripe account for accepting contributions did not include "a formal sponsor ID statement." Response from Lindsay Cortes: "There are limited editing capabilities on our Stripe contribution page. Our contribution page now includes the URL back to the campaign's homepage, which contains the full sponsor identification statement, in line with PDC staff's guidance that this is sufficient. The URL is listed in the title 'Donate to the Re-Elect Mayor Cassie Franklin Campaign mayorcassiefranklin.com,' and on the page image. The Stripe contribution page was already set up to reference Cassie's main website in the "thank you" message after a donation is made. This has been in place since it was created in 2023. A screenshot of the 'thank you' message is attached."
- An expenditure did not include a station-by-station breakdown. Response from Lindsay Cortes: "The July 18, 2025, expenditure to North Sound Media has been updated to include the specific stations (KRKO and KXA, Everett, WA)."
- Expenditures did not include subvendor information, run dates, or the number of pieces printed. Response from Lindsay Cortes: "We have updated our July 2025 expenditures to include more detail about subvendor information, addresses, run dates, and the number of pieces printed for Terra Firma Consulting, Strategies 360, and Sound Publishing."

Separate from the allegations in and responses to the two complaints filed by the Complainant, staff asked the campaign to amend the following reports:

- 21-Day Pre-Primary C-4 report, Report No. 110 313 023:
 - A \$17,000 expenditure to Terra Firma Consulting was amended to show that 20,000 mailers were printed.

- o A \$3,000 expenditure to Terra Firma Consulting was amended to show that 6,000 pieces of doorbell literature were printed.
- o An \$18,502.96 expenditure was amended to show that 20,646 mailers were printed.
- 7-Day Pre-Primary C-4 report, Report No. 110 313 025:
 - o A \$12,116 expenditure to Strategies 360 for digital advertising was amended to include the media outlets where the digital advertising was displayed.
- Post-Primary C-4 report, Report No. 110 313 024:
 - o Two \$12,117 expenditures and one \$13,650 expenditure to Strategies 360 for digital advertising were amended to include the media outlets where the digital advertising was displayed.

Summary and Resolution

Cassie Franklin is an experienced candidate who is running for her third term as Mayor of Everett. During her 2025 campaign, Franklin switched to a new treasurer, Lindsay Cortes, which resulted in a misunderstanding about when C-3 reports were to be filed and a lack of clarity on required expenditure descriptions. Cortes acknowledged that two C-3 reports for \$5,650 and \$500 were filed 22 and 15 days late, respectively, and responded promptly when asked to amend reports, updating July expenditures to include subvendor information where needed, run dates, and the number of pieces printed. Cortes noted that in several instances, no subvendors were used. Additional descriptive information for expenditures not included in the complaints was requested, and amendments were promptly received.

Based on these findings, staff has determined that in this instance, filing two C-3 reports late and initially providing incomplete expenditure descriptions do not amount to a finding of a violation warranting further investigation.

However, Pursuant to WAC 390-37-060(1)(d), you are receiving a formal written warning concerning the importance of ensuring your campaign treasurer is fully aware of the reporting requirements, including when C-3 reports are due and the requirements for expenditure descriptions. The formal written warning includes staff's expectation that you timely file all future required reports of contributions and expenditures and include a complete description for expenditures. 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 this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Phil Stutzman at 1-360-753-1111, toll-free at 1-877-601-2828 or by e-mail at <u>pdc@pdc.wa.gov</u>.

Sincerely,

Endorsed by,

Electronically signed by Phil Stutzman
Phil Stutzman
Compliance Officer

<u>Electronically signed by Peter Frey Lavallee</u> Peter Frey Lavallee Executive Director cc: Conner Edwards