



**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.pdcc.wa.gov](http://www.pdcc.wa.gov)

February 20, 2019

Delivered electronically to "[coxsvancouver@gmail.com](mailto:coxsvancouver@gmail.com)"

Subject: PDC Cases 21344 and 21346

Dear Steven Cox:

Below are copies of electronic letters sent to Chris Prothero and Heather Sinnott concerning complaints filed with the Public Disclosure Commission (PDC).

As noted below to Chris Prothero and Heather Sinnott, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

PDC staff is reminding you about the importance of timely and accurately disclosing all contribution and expenditure activities, especially during the critical period before an election. PDC staff expects that you will timely file reports in future years in accordance with PDC laws and rules.

If you have questions, you may contact Tabatha Blacksmith at (360) 586-8929, toll-free at 1-877-601-2828 or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov)

Sincerely,

/s \_\_\_\_\_  
Tabatha Blacksmith  
Compliance Coordinator

Endorsed by,

/s \_\_\_\_\_  
Barbara Sandahl  
Deputy Director  
For Peter Lavalley  
Executive Director

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February 20, 2019

Delivered electronically to "[cw.prothero@gmail.com](mailto:cw.prothero@gmail.com)"

Subject: Complaint regarding Steven Cox, PDC Case 21344

Dear Christopher Prothero:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on July 3, 2017. Your complaint alleged that Steven Cox may have violated RCW 42.17A.230 and .235 by failing to accurately and timely report contributions from a May 4, 2017 kickoff fundraiser event.

PDC staff reviewed your allegations and, as a result, found the following:

- The Respondent held a kickoff fundraiser & silent auction on May 4, 2017 for his mayoral campaign. Expenses related to the event were timely reported by the Respondent on May 9, 2017 and June 10, 2017 respectively. The Respondent reported contributions received from the kickoff and auction on July 6, 2017, which was 24 days late.
- The dollar value of items contributed to an auction, and the dollar amounts for which those items are later sold, are both reported *at the same time* on a C-3 report or an attached Auction Report (Schedule AU), which is due based upon the date the proceeds were deposited into the filer's banking institution. Furthermore, an auction that qualifies as a "low-cost fundraiser" requires limited tracking and disclosure and the proceeds can be reported as a lump sum on the C-3 report.
- The C-3 report the Respondent filed on July 6, 2017 contained the total dollar value of the items contributed to the auction and the dollar amounts for which the items were later sold. However, the sold items were not identified on the form as proceeds from a low-cost fundraiser. The Respondent amended its report on February 5, 2019 so the auction proceeds are clearly identified and reported as a lump sum.
- The Respondent's 2017 filing history shows one 7-day pre-general election C-4 report was received 9 days late, which deprived the public of critical information, and twelve C-3 reports were received 2-57 days late. All other reports were timely filed.
- Seven of the late C-3 reports resulted from the campaign's erroneous belief that the data it uploaded when its C-4 reports were filed online simultaneously updated its contributor information, thereby eliminating the need to separately file C-3 reports. When the

Respondent realized this was not the case, it took corrective action to submit the late reports thereby demonstrating a good-faith effort to comply and a willingness to take responsibility for the omissions.

- Mitigating factors include: The Respondent was a first-time filer with a relatively small, unsophisticated campaign that made relatively modest total expenditures. Over half of its late reports were the result of a good-faith error, omission or misunderstanding, which it took corrective action to resolve within 24 hours of being notified. The Respondent has no prior warnings or violations with the PDC.

Based on these findings, staff has determined that in this instance, failure to identify proceeds from a low-cost auction and failure to timely report contributions and expenditures does not amount to an actual violation warranting further investigation.

PDC staff is reminding Steven Cox about the importance of timely and accurately disclosing all contribution and expenditure activities, especially during the critical period before an election, and the timely filing of all future PDC reports.

The PDC has dismissed the matter and will not be conducting a more formal investigation into your complaint or pursuing further enforcement action in this case.

If you have questions, you may contact Tabatha Blacksmith at 1-360-586-8929, toll-free at 1-877-601-2828 or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov)

Sincerely,

/s \_\_\_\_\_  
Tabatha Blacksmith  
Compliance Coordinator

Endorsed by,

/s \_\_\_\_\_  
Barbara Sandahl  
Deputy Director  
For Peter Lavalley  
Executive Director

cc: Steven Cox



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February 20, 2019

Delivered electronically to "[hrcinnott@gmail.com](mailto:hrcinnott@gmail.com)"

Subject: Complaint regarding Steven Cox, PDC Case 21346

Dear Heather Sinnott:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on July 3, 2017. Your complaint alleged that Steven Cox may have violated RCW 42.17A.230 and .235 by failing to accurately and timely report contributions from a May 4, 2017 kickoff fundraiser event and mis-reporting the cost of June 24, 2017 Lincoln Day Dinner.

PDC staff reviewed your allegations and, as a result, found the following:

- The Respondent held a kickoff fundraiser & silent auction on May 4, 2017 for his mayoral campaign. Expenses related to the event were timely reported by the Respondent on May 9, 2017 and June 10, 2017 respectively. The Respondent reported contributions received from the kickoff and auction on July 6, 2017, which was 24 days late.
- The Respondent purchased two tickets to the Lincoln Day Dinner using \$100 of his own personal funds and timely and accurately reported the cost as an in-kind contribution on the C-4 report he filed on May 9, 2017.
- The dollar value of items contributed to an auction, and the dollar amounts for which those items are later sold, are both reported *at the same time* on a C-3 report or an attached Auction Report (Schedule AU), which is due based upon the date the proceeds were deposited into the filer's banking institution. Furthermore, an auction that qualifies as a "low-cost fundraiser" requires limited tracking and disclosure and the proceeds can be reported as a lump sum on the C-3 report.
- The C-3 report the Respondent filed on July 6, 2017 contained the total dollar value of the items contributed to the auction and the dollar amounts for which the items were later sold. However, the sold items were not identified on the form as proceeds from a low-cost fundraiser. The Respondent amended its report on February 5, 2019 so the auction proceeds are clearly identified and reported as a lump sum.

- The Respondent's 2017 filing history shows one 7-day pre-general election C-4 report was received 9 days late, which deprived the public of critical information, and twelve C-3 reports were received 2-57 days late. All other reports were timely filed.
- Seven of the late C-3 reports resulted from the campaign's erroneous belief that the data it uploaded when its C-4 reports were filed online simultaneously updated its contributor information, thereby eliminating the need to separately file C-3 reports. When the Respondent's campaign realized this was not the case, it took corrective action to submit the late reports thereby demonstrating a good-faith effort to comply and a willingness to take responsibility for the omissions.
- Mitigating factors include: The Respondent was a first-time filer with a relatively small, unsophisticated campaign that made relatively modest total expenditures. Over half of its late reports were the result of a good-faith error, omission or misunderstanding, which it took corrective action to resolve within 24 hours of being notified. The Respondent has no prior warnings or violations with the PDC.

Based on these findings, staff has determined that in this instance, failure to identify proceeds from a low-cost auction and failure to timely report contributions and expenditures does not amount to an actual violation warranting further investigation.

PDC staff is reminding Steven Cox about the importance of timely and accurately disclosing all contribution and expenditure activities, especially during the critical period before an election, and the timely filing of all future PDC reports.

The PDC has dismissed the matter and will not be conducting a more formal investigation into your complaint or pursuing further enforcement action in this case.

If you have questions, you may contact Tabatha Blacksmith at 1-360-586-8929, toll-free at 1-877-601-2828 or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov)

Sincerely,

/s \_\_\_\_\_  
Tabatha Blacksmith  
Compliance Coordinator

Endorsed by,

/s \_\_\_\_\_  
Barbara Sandahl  
Deputy Director  
For Peter Lavalley  
Executive Director

cc: Steven Cox