

## 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

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November 9, 2017

Sent electronically to Glen Morgan

Subject: Complaint filed against Janice Zahn, PDC Case 16189

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on April 3, 2017. Your complaint filed against Janice Zahn, a candidate for Bellevue City Council in 2017, alleged violations of RCW 42.17A. The Attorney General's Office notified PDC staff that they will not be taking action concerning this matter. PDC staff reviewed your complaint, the response from the Respondent, and the Monetary Contributions (C-3 reports) and Summary Contribution and Expenditure reports (C-4 report) filed by the Respondent's campaign, and as a result we found the following:

- On January 6, 2017, Ms. Zahn filed a Candidate Registration (C-1 report) declaring her candidacy for Bellevue City Council, and selecting the Full Reporting Option.
- <u>Alleged failure to report in-kind contributions or expenditures for professional photography</u>: Ms. Zahn stated her husband took the original photos that were included on her campaign website in January 2017. She stated that she updated her website with photos taken by her brother with his cell phone, and that her campaign hired a professional photographer in March of 2017. She added that information was timely disclosed as a debt or obligation on the March 2017 C-4 report.
- <u>Alleged failure to identify committee officers/principal decision-makers on C-1 report</u>: Ms. Zahn stated that neither Christian Sinderman or Katherine Bobman were committee officers for her campaign. She stated both of those individuals were consultants who provided advice to her campaign, but that she approved all expenditures before they were made. She added that neither Mr. Sinderman nor Ms. Bobman were authorized to make decisions or expenditures on behalf of the campaign.
- <u>Alleged failure to report debts and obligations, and break down expenditures</u>: Ms. Zahn stated that services provided by NWP Consulting were disclosed as expenditures on the C-4 report in the month in which they were incurred and invoiced, and that any future obligations will be reported as debts or obligations.

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Staff's review the C-4 reports filed by the Campaign confirmed that debts and obligations were disclosed on every C-4 report filed by the Campaign and included the candidate loan from Ms. Zahn. Ms. Zahn stated that the expenditure to NWP Consulting that was referenced in the complaint listed NWP Consulting as the vendor, but the Campaign disclosed Overnight Printing as the sub-vendor used to print the Campaign remit envelopes.

- <u>Alleged failure to report in-kind contributions or expenditures</u>: Ms. Zahn stated that her Treasurer timely filed C-3 and C-4 reports, except for a candidate loan and two in-kind contributions. The \$1,800 candidate loan was received on January 4, 2017, and the two in-kind contributions from Ms. Zahn totaled \$128.69 and were received on January 3 and 4, 2017, for the campaign website domain registration and a ticket to a Bellevue Chamber of Commerce event. Both activities were disclosed on February 10, 2017, 35 days after the January 6, 2017 deadline.
- Failure to accurately disclose information on the Personal Financial Affairs Statement (PDC Form F-1): Ms. Zahn stated that she filed the F-1 report electronically using the online filing application, but prior to transmitting the F-1 report the application timed out and the data that she had entered did not get saved and she filed a blank F-1 report on January 18, 2017. When she became aware of the filing error, she filed an amended F-1 report electronically on April 4, 2017, and attached an F-1 Supplement listing her position as director with the Eastside Gymnastics Club.

While the initial C-4 report was filed late, the only activities disclosed on that report were from Ms. Zahn using her personal funds and included an \$1,800 candidate loan and the two in-kind contributions totaling \$129. Ms. Zahn was a first-time candidate for public office and that information was disclosed more than three months prior to candidate filing week.

After a careful review of the alleged violations and relevant facts, PDC staff have concluded our review of the complaint filed by you against Janice Zahn, and will not be conducting a more formal investigation into your complaint or pursuing enforcement action in this case.

If you have questions, you may contact Kurt Young at 360-664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Kurt Young Compliance Officer

cc: Janice Zahn

Endorsed by Lavallee

Executive Director

