



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

July 7, 2017

Jim Walsh

Sent electronically to Alex Hays with Friends of Jim Walsh "alex.hays@abhays.com"

Subject: Complaint filed against Jim Walsh, PDC Case 9237
Formal Written Warning

Dear Representative Walsh,

Enclosed is a copy of a letter sent to Jessica LaVigne, concerning a complaint she filed with the Public Disclosure Commission (PDC) on October 22, 2016. The complaint alleged that your 2016 Campaign for State Representative in the 19th Legislative District, violated: (1) RCW 42.17A.235 and .240 by failing to timely disclose campaign expenditure information, including two media buys on Summary, Full Campaign Contributions and Expenditures report (C-4 report); and (2) RCW 42.17A.320 by failing to include the proper sponsor identification on a joint political advertisement in the form of a mailer co-sponsored by the Friends of Jim Walsh Campaign (Campaign) and the Citizens for Sue Pederson, also a candidate for State Representative in the 19th Legislative District in 2016.

As noted in the letter to Ms. LaVigne, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in this matter. However, PDC staff's review indicated that your Campaign failed to timely list orders placed on the 21 and 7-Day Pre-General Election C-4 reports, including two orders placed for media buys totaling \$30,700. In addition, staff discovered four expenditures totaling \$4,937 for political advertisements that should have been disclosed as orders placed on the 7-Day Pre-General Election C-4 report, but those activities represented less than 2.5% of total Campaign expenditures.

PDC staff would note that you were a first-time candidate for public office, and the two media buys, which were the subject of the complaint, were disclosed by your Campaign seven days prior to the November 8, 2016 general election. Finally, staff also noted that the joint candidate political advertisement co-sponsored by your Campaign failed to include the proper sponsor identification as required for a mailer.

In accordance with WAC 390-37-060(1)(b), this is a Formal Written Warning. PDC staff is warning you about the importance of: (1) timely filing campaign finance reports disclosing contribution and expenditure activities, including orders-placed, debts or obligations on the C-4 reports; and (2) including the proper sponsor identification on all future political advertisements undertaken by you as a candidate.

If there are any future violations of PDC laws or rules found against you, the Commission will consider this warning letter in deciding on any further Commission action.

Our compliance staff is available to help you navigate the candidate reporting requirements, and our website provides extensive guidance for filers. In the future, please visit us at pdc.wa.gov or call at (360) 753-1111 and ask to speak to a Filer Assistance Specialist for answers to your questions.

If you have questions about this case, please contact PDC staff member Kurt Young at (360) 664-8854, or by email at kurt.young@pdc.wa.gov.

Sincerely,



Peter Lavalley
Executive Director



Enclosure: Letter to Jessica LaVigne



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July 7, 2017

Sent electronically to Jessica LaVigne "Jessica@hdcc.org"

Subject: October 25, 2016 Complaint filed against Jim Walsh, PDC Case 9237

Ms. LaVigne:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 25, 2016. Your complaint alleged that Jim Walsh, a candidate seeking the office of State Representative in the 19th Legislative District in 2016, violated: (1) RCW 42.17A.235 and .240 by failing to timely file disclose expenditure information, including orders placed for two cable media buys on Summary, Full Campaign Contributions and Expenditures report (C-4 report); and (2) RCW 42.17A.320 by failing to include the proper sponsor identification on a joint political advertisement in the form of a mailer co-sponsored by Friends of Jim Walsh and Sue Pederson, also a State Representative candidate in the 19th Legislative District in 2016.

PDC staff reviewed your allegations in light of PDC laws and rules in order to determine whether a formal investigation or enforcement action is warranted. Staff reviewed: (1) your complaint and copies of "Contract Data" forms for two cable media buys which listed Media Plus as the Agency, the Jim Walsh Campaign as the client, and the flight dates as October 10 through 23, 2016; (2) the C-4 reports filed by the Friends of Jim Walsh Campaign; and (3) the two responses submitted to the PDC on behalf of the Jim Walsh campaign. Based on that information, staff found the following:

- On November 2, 2015, James Walsh filed a Candidate Registration (C-1 report) declaring his candidacy for State Representative for the 19th Legislative District in 2016. Mr. Walsh was a first-time candidate for public office.
- On October 18, 2017, the Friends of Jim Walsh (Campaign) timely filed the 21-Day Pre-General Election C-4 report disclosing \$98,831 in monetary and in-kind contributions received, \$18,178 in expenditures made, and \$2,691 for orders placed, debts and obligations for a mailer and other advertising. There was no expenditure made or orders placed owed disclosed for Media Plus for either of the two media buys.
- On November 1, 2016, the Campaign timely filed the 7-Day Pre-General Election C-4 report disclosing \$14,161 in monetary and in-kind contributions received during the period, and \$64,033 in expenditures made that included two expenditures to Media Plus on October 21, 2016 totaling \$30,700.

- On November 2, 2016, the Campaign filed an amended 21-Day Pre-General Election C-4 report disclosing two orders placed totaling \$30,700 owed to Media Plus for “Broadcast Advertising” in the Longview and Grays Harbor areas.
- In the response, Representative Walsh stated the contract for the media buy had a start date of October 13, 2016, and that his Campaign’s political advertisements began airing on October 14, 2016. He stated Media Plus did not generate the invoice for the media buys until October 17, 2016, and that his Campaign treasurer did not receive the Media Plus invoice until October 21, 2016, three days after the filing date for the 21-Day Pre-General Election C-4 report. The invoices were paid by the Campaign on the date they were received from Media Plus.
- Staff reviewed the 2016 Post General Election C-4 report filed by the Campaign, and requested the Campaign provide additional information about several expenditures disclosed on the report, in order to determine if any of those expenditures should have been disclosed earlier as orders placed.
- Staff determined there were four additional expenditures that should have been disclosed as an “order-placed” on the 7-Day Pre-General Election C-4 report, that included a \$1,518 expenditure was made to Bicoastal Media Longview on November 21, 2017, for advertising; a \$1,014 expenditure was made to Jodesha Broadcasting on November 29, 2016, for advertising; and a \$1,405 expenditure was made to the Willapa Harbor Herald on November 28, 2016, for newspaper advertisements.
- Finally, staff reviewed the joint candidate political advertisement you submitted as part of your complaint and determined that it failed to include the proper sponsor identification as required for a mailer co-sponsored by Jim Walsh and Sue Pederson.

PDC staff concluded that a more formal investigation into your complaint or pursuing enforcement action in this instance is not warranted. The Friends of Jim Walsh failed to timely list orders placed on the 21 and 7-Day Pre-General Election C-4 reports, including two media buys totaling \$30,700. Staff would note that Mr. Walsh was a first-time candidate and the two media buys, which were the subject of the complaint, were disclosed as Campaign expenditures seven days prior to the November 8, 2016 general election.

Staff discovered four additional expenditures totaling \$4,937 for political advertisements that should have been listed as orders placed on the 7-Day Pre-General Election C-4 report, but were disclosed after the 2016 general election had been held. While the four additional expenditures were disclosed late and after the election, they represented less than 2.5% of total Campaign expenditures.

Pursuant to WAC 390-37-060(1)(b), Jim Walsh will receive a formal written warning concerning his failure to: (1) timely disclose orders-placed, debts or obligations, including two media buys, on the C-4 reports; and (2) include the proper sponsor identification on a joint mailer co-sponsored with the Sue Pederson Campaign.

Jessica LaVigne
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The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules by Jim Walsh. For these reasons, the PDC will not be conducting a more formal investigation into your complaint or pursuing enforcement action in this case. Thank you for bringing this matter to our attention.

If you have questions, you may contact PDC staff member Kurt Young at (360) 664-8854, toll-free at 1-877-601-31980, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,



Kurt Young
PDC Compliance Officer

Endorsed by:



Peter Lavalley
Executive Director

cc: Jim Walsh



Public Disclosure Commission
Shining Light on Washington Politics Since 1972

