



State of Washington
PUBLIC DISCLOSURE COMMISSION
711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
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Jan. 4, 2018

Delivered electronically to “friendsofelainephelps@gmail.com”

Subject: PDC Case 42328

Dear: Janet Way

Below is a copy of an electronic letter sent to Michael Pollowitz concerning a complaint filed with the Public Disclosure Commission (PDC). As noted below in the letter to Mr. Pollowitz, the PDC will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(b), this letter hereby formally warns the Friends of Elaine Phelps concerning the failure to comply with the C-3 and C-4 reporting requirements for a political committee under the Full Reporting option by not timely filing C-3 and C-4 reports disclosing contributions and expenditures activities undertaken by the Committee, in accordance with RCW 42.17A.235 and .240.

PDC staff expects the Friends of Elaine Phelps to file timely, complete and accurate C-3 and C-4 reports in future years in accordance with PDC laws and rules. 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 Alice Fiman at 1-360-586-4746 or toll-free at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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Jan. 4, 2018

Delivered electronically to “mpollowitz@gmail.com”

Subject: PDC Case 42328

Dear Michael Pollowitz

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on Oct. 16, 2018, against Friends of Elaine Phelps, a new continuing committee registered with the PDC. The complaint alleged the Friends of Elaine Phelps violated RCW 42.17A.235 and .240 by failing to timely file Monetary Contribution reports (C-3 reports) and Campaign Summary Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities undertaken by the Committee in 2018.

PDC staff reviewed the allegations listed in the complaints, the statutes, rules, and reporting requirements, the C-1PC report, C-3 and C-4 reports filed by the new continuing committee registered with the PDC and the response from Janet Way, Committee Chairperson.

Based on staff’s review, we found the following:

- On August 2, 2018, the Committee filed Committee Registration (C-1PC report) a new, continuing committee filed its initial registering with the PDC, selecting the Full Reporting Option and listing Janet Way as Committee Chairperson, Sally Soriano as Committee Treasurer, and Marcy Bloom as Committee Director.
- On August 2, 2018, the Committee timely filed an Independent Expenditure Report (C-6 report) disclosing a \$5,000 expenditure to South Strategies and checking box 3 on the form as an electioneering communication (EC) in support Senator Maralyn Chase for Senate in the 32nd Legislative District.
- The C-6 report filed by the Committee disclosed that a mailing was presented to public on August 2, 2018 and listed four contributors that contributed a total of \$5,000 on August 1, 2018 for the EC that included a \$4,300 contribution from Ms. Way, and \$400 from Ms. Soriano.
- During the period October 2 – 16, 2018, the Committee filed four C-3 reports disclosing the receipt of \$6,925 in monetary contributions, and three of the C-3 reports were filed late. However, \$5,000 of the late reported contributions had previously been timely disclosed by the Committee on the C-6 report filed August 2, 2018.
- On October 16, 2018, the Committee timely filed the 21-Day Pre-General Election C-4 report disclosing \$1,800 in monetary contributions received during the period, \$800 for

three expenditures made to design the Committee website and listing \$6,925 in total contributions received and \$5,800 in total expenditures made.

- On December 12, 2018, the Committee filed the 7-day Pre-General Election C-4 report that was required to have been filed no later than October 30, 2018, 43 days late and 36 days after the November 6, 2018 general election. However, the late filed C-4 report disclosed only \$175 in new monetary contributions and \$100 in new expenditures made.
- As you noted in the complaint, Elaine Phelps passed away on July 17, 2018. Ms. Way stated in the response that Ms. Phelps was a longtime supporter of the Democratic Party, and staff's review confirmed she made numerous monetary contributions to candidates and political party organizations. Ms. Way stated the contributors and Committee members decided to honor Ms. Phelps by creating a political committee in her name to support Senator Maralyn Chase, who represented Ms. Phelps as her Senator in the 32nd Legislative District. Staff's review indicated that Ms. Phelps made a \$2,000 monetary contribution to Maralyn Chase on October 30, 2017, for her 2018 re-election efforts.
- Ms. Way stated that Ms. Phelps assisted her after her husband's sudden death on April 4, 2018, by giving her a \$14,000 intended to assist her to meet her living expenses. She stated the Committee formation and subsequent mailing on August 2, 2018, occurred after Ms. Phelps passed away, and that she decided to use a portion of the funds that Ms. Phelps had given to her to make a contribution to the Committee for the mailing.
- On August 1, 2018, Ms. Way made a \$4,300 monetary contribution using personal funds, and two additional monetary contributions were received that same day from two other Committee board members. The response stated "Elaine would have preferred to use her own funds if she had survived. But Janet Way decided that she wanted to contribute to this cause as well in Elaine Phelps' memory as a legacy."
- The Committee's response stated the PDC rules and reporting requirements for a political committee were complex, especially for a first-time filer, and they did not fully understand the details. The Committee contacted PDC staff on several occasions to assist in setting up the Online Reporting of Campaign Activities (ORCA) campaign finance software provided by the PDC and the ongoing C-3 and C-4 reporting requirements. The Committee was not aware of the initial C-3 and C-4 reporting requirements and filed "a number of C 3's for subsequent donations and expenses after the primary with the help of the PDC staff and updated our record. And we have since filed and updated the record with our C4 and C6 reports, again with the direction of the helpful PDC staff."
- The Committee's address listed on the C-1PC report was the home address of one of the Committee board members and not Ms. Phelps. While the complainant provided a copy of a 2015 mailing paid for and sponsored by made by Elaine Phelps against Jesse Salomon in 2015, none of the Committees officers participated in that effort which was undertaken solely by Ms. Phelps.

Based on these findings, and the facts that Friends of Elaine Phelps: (1) is a first-time committee participating in its first election; (2) responded quickly to the allegations and contacted PDC staff for assistance to correct its filings; and (3) timely filed a C-6 report disclosing the electioneering communication which represented 70 percent of all committee expenditures, staff has determined that the failure to timely file C-3 and C-4 reports does not amount to a material violation warranting further investigation.

Pursuant to WAC to WAC 390-37-060(1) Friends of Elaine Phelps will receive a formal written warning concerning the failure to comply with the reporting requirements for a political committee under the Full Reporting option to timely file C-3 and C-4 reports disclosing contributions and expenditures activities in accordance with RCW 42.17A.235 and .240.

The formal written warning will include staff's expectation Friends of Elaine Phelps timely files complete and accurate reports in future years in accordance with PDC laws and rules. 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 this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Alice Fiman at 360-586-4746 or toll-free at 1-877-601-2828, or by e-mail fdc@fdc.wa.gov.

Sincerely,

/s _____

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