



**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

January 11, 2019

Delivered electronically to David Chan at “votechan03@gmail.com”

Subject: Complaints filed by Michael A. Fertakis, PDC Cases 42329, 42397 & 42940

Dear Mr. Chan:

Below is a copy of an electronic letter sent to Michael A. Fertakis concerning three complaints filed with the Public Disclosure Commission (PDC). For ease, the allegations in all three complaints are included in the dismissal letter.

As noted in the letter to Michael Fertakis, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and 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 serves as a warning letter concerning your failure to comply with the filing requirements noted in the enclosed letter sent to Mr. Fertakis. failure to timely and accurately disclosure of all contribution and expenditures. Staff expects you to timely file all future required reports of contributions and expenditures, including all required vendor information during the accelerated reporting periods prior to and after any election in which his name appears on the ballot. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

In addition, staff strongly encourages you to enlist the services of an experience treasurer, should you choose to engage in a campaign under the “Full Reporting” option in the future.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by email at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Peter Lavalley
Executive Director



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January 11, 2019

Delivered electronically to Michael A. Fertakis at “michaelfertakis@gmail.com”

Subject: Complaints regarding David Chan, PDC Case 42329, 42397 & 42940

Dear Michael Fertakis:

The Public Disclosure Commission (PDC) has completed its review of the three complaints you filed in October 2018. The three complaints alleged that David Chan, candidate for Snohomish County Public Utility District Commissioner No. 1 in 2018, may have violated RCW 42.17A.235 and .240 for failure to timely and accurately file Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing contributions and expenditures undertaken by the Campaign.

For your information, in order to more efficiently use PDC resources, these three complaints have been combined into one letter. PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response(s) provided by David Chan; the applicable PDC reports filed by Respondent; and the October 17, 2018 Statement of Understanding with \$300 civil penalty completed by Mr. Chan and acknowledging violations of RCW 42.17A.235 and .240, to determine whether the record supports a finding of one or more violations.

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

- On June 18, 2018, David Chan filed a Candidate Registration (C-1 report) declaring his candidacy for Snohomish County Public Utility District No. 1 Commissioner in the 2018 primary and general election, selecting the “Full Reporting” option and listing himself as the Treasurer.
- Mr. Chan’s name appeared on the primary and general ballots and he lost in the general election after receiving 44.33% of the vote.

Summary of PDC Case 42329

- The complaint alleged violations of RCW 42.17A.235 for failure to timely file C-3 and C-4 reports required to be submitted by “Full Reporting” candidates appearing on the general election ballot.
- The complaint did not include evidence of specific late or missing reports of campaign activity, however, staff found the David Chan did file four C-3 reports between eight and 50 days late and two C-4 reports two days late.

- The late filed C-3 reports included a \$6,000 deposit of Mr. Chan's personal funds and \$6,550 additional funds from six individual donors, the largest of which was filed late on a C-3 but prior to the date of the general election.
- The 21-day and 7-day pre-general C-4 reports were both filed two days late but prior to the date of the general election and disclosed \$4,650 in expenditures paid to Mountain Lion for consulting services.

Summary of PDC Case 42397

- The complaint alleged violations of RCW 42.17A.240 for failure to disclose the details of a campaign website, including the vendor name, address and cost.
- In a telephone conversation with PDC staff, Mr. Chan stated that no cost was disclosed because the website was created by a campaign volunteer who is not a paid web designer.

Summary of PDC Case 42940

- The complaint alleged violations of RCW 42.17A.240 for failure to disclose the details of political advertisement in the form of a mailer, including the vendor name, address and printing cost.
- The copy of the mailer attached to the complaint appeared to be professionally produced with color photographs and graphics.
- In his response, Mr. Chan stated that the 7-day pre-general C-4 disclosed \$6,341.76 for printing and \$9,074 for postage. In addition, he stated that he experienced technical difficulties utilizing the PDC's Online Reporting of Campaign Activity (ORCA) program which resulted in the 7-day pre-general election C-4 report being filed two days late.

The 2018 election was the first time David Chan filed as a candidate under the "Full Reporting" option and was required to file C-3 and C-4 reports using the PDC's ORCA program disclosing campaign contribution and expenditure activities electronically. Serving as his own treasurer, Mr. Chan spent several weeks working with PDC Filer Assistance Staff on how to properly enter and correct information reported in ORCA, and he continued to work with staff throughout the 2018 election cycle.

In July 2018, two complaints were filed against David Chan alleging his campaign failed to timely and accurately file reports of campaign activities. On October 22, 2018, Mr. Chan completed a Statement of Understanding (SOU) acknowledging violations of RCW 42.17A.235 and .240 for failure to timely and accurately file C-3 and C-4 reports, and paid a \$300 civil penalty, resolving similar allegations in PDC Cases 42329, 42397 and 42940.

Based on these findings staff has determined that, in this instance, failure to timely file a small number of C-3 and C-4 reports late disclosing details of a mailed political advertisement, does not amount to an actual violation warranting further investigation or additional enforcement action.

Pursuant to WAC 390-37-060(1)(b), David Chan will receive a formal written warning concerning failure to timely and accurately disclosure of all contribution and expenditures. The formal written warning will include staff's expectation that David Chan timely files all future required reports of contributions and expenditures, including all required vendor information during the accelerated reporting periods prior to and after any election in which his name appears on the ballot. 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 finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Peter Lavalley
Executive Director

cc: David Chan