



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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September 16, 2011

David Olson
14226 442nd Ave SE
North Bend, WA 98045

RE: Complaint against 5th Legislative District Democrats – PDC Case #11-036

Dear Mr. Olson:

The Public Disclosure Commission (PDC) has completed its investigation of your complaint received on December 17, 2010, alleging that the Fifth Legislative District Democrats political committee (5th LD Democrats) violated contributor reporting requirements. You alleged that certain low-cost fundraisers reported by the 5th LD Democrats did not meet the criteria for a low-cost fundraiser. You cited four specific fundraisers: May 8, 2010 (\$270.00), May 8, 2010 (\$1,250.00), July 20, 2010 (\$1,882.00), and July 29, 2010 (\$1,720.00). You alleged that these fundraisers did not qualify as low-cost fundraisers because the deposits were unusually high when compared to other low-cost fundraisers the committee has held in the past. You further alleged that these activities were not fundraisers but were possibly an attempt to funnel contributions directly to the campaign of Dean Willard from unidentified contributors.

You also alleged that since the fundraisers exceeded \$300 in total contributions, the 5th LD Democrats were required to itemize contributor information. However, there is no limit to the total amount of funds that can be raised during a low-cost fundraiser. There are limits that apply to individual ticket prices, but not to the total funds raised or to the total number of tickets sold for a low-cost fundraiser. Therefore, this allegation was not investigated.

PDC staff reviewed your allegations in light of the following statutes:

RCW 42.17.067 allows for an alternative reporting method for certain fundraisers meeting a specific set of circumstances, known as low-cost fundraisers. The statute states, in part, that The following events qualify as a low-cost fundraiser:

(2)(a) the activity consists of one or more of the following:

- i. The retail sale of goods or services at a reasonable approximation of the fair market value of each item or service sold at the activity; or
- ii. A gambling operation which is licensed, conducted, or operated in accordance with the provisions of chapter 9.46 RCW; or

- iii. A gathering where food and beverages are purchased, where the price of admission or the food and beverages is no more than twenty-five dollars; or
- iv. A concert, dance, theater performance, or similar entertainment event where the price of admission is no more than twenty-five dollars; or
- v. An auction or similar sale where the total fair market value of items donated by any person for sale is no more than fifty dollars ...

RCW 42.17.080 and .090 require political committees to file timely, accurate reports of contributions and expenditures, including in-kind contributions.

PDC staff reviewed your complaint and supporting documentation. Staff reviewed response letters and documentation submitted by current and former officers of the 5th LD Democrats. Staff contacted current and former officers of the 5th LD Democrats. Staff reviewed campaign finance reports filed by the 5th LD Democrats. For the fundraiser events in question, staff found the following:

May 8, 2010 Low-Cost Fundraisers (\$1,250.00 and \$270.00)

The 5th LD Democrats held a Cinco de Mayo Celebration on May 5, 2010 at the Issaquah Brew Pub. The event included a catered buffet and no-host bar. The Cinco de Mayo event was publicized to members in several ways: all members were invited via email and an electronic invitation (e-vite), the event was listed on the Committee's Facebook page, and it was discussed at general membership meetings.

The ticket price for the Cinco de Mayo event was \$25 per person and fifty tickets were sold. The total amount received from ticket sales was \$1,250.00. Most tickets were sold to individuals, some couples paid for their tickets by joint check. No one paid more than the \$25 ticket price and no individual purchased multiple tickets. No evidence was found to indicate that the ticket sales for the Cinco de Mayo event were anything other than a low-cost fundraiser.

During the Cinco de Mayo event, a door prize raffle was held. Individuals purchased 54 door prize tickets at \$5 each. The total amount raised from door prize ticket sales was \$270.00. No one contributed a door prize item worth more than \$50. No evidence was found to indicate that the door prize event was anything other than a low-cost fundraiser.

Once the expenses for holding the Cinco de Mayo event were deducted, the net proceeds for the 5th LD Democrats was \$560.00. No evidence was found to substantiate the allegation that these low-cost fundraisers were an attempt to funnel contributions to the campaign of Dean Willard.

2010 Annual Summer Picnic

On July 18, 2010, the 5th LD Democrats held their annual summer picnic. In order to increase attendance, the picnic was combined with a few neighboring groups (King County Democrats and the 41st, 45th, and 48th Legislative District Democrats). The event was publicized in several ways: members were invited via email, the event was listed on the Committee's Facebook page, and it was discussed at general membership meetings.

Picnic attendees were given the option of purchasing a \$20 ticket for general admission or a \$25 ticket for general admission and access to the beer and wine area. Prior to the event, attendees could purchase tickets online via ticket vendor, Brown Paper Tickets. Tickets were also sold at the entrance to the event for the same prices. Also, during the Summer Picnic, attendees could purchase door prize tickets for \$5 each. The proceeds from the Summer Picnic were reported as the following low-cost fundraisers.

- July 20, 2010 Low-Cost Fundraiser (\$1,882.00): On the day of the event, 66 event tickets were sold at the door and 71 door prize tickets were sold. The following table summarizes the funds collected on the day of the event:

Summer Picnic – Day of Event	UNIT PRICE	QUANTITY	TOTAL RECEIVED
Picnic Tickets	\$20	25	\$500.00
Picnic & Beer/Wine Tickets	\$25	41	\$1,025.00
Door Prize Tickets	\$5	71	\$355.00
Misc. – cash contribution			\$2.00
TOTAL FUNDS RECEIVED			\$1,882.00

No attendee paid more than the admission ticket price or purchased multiple tickets. For the door prizes, no one donated an item worth more than \$50. No evidence was found to indicate that the event-day ticket sales and door prize tickets sales were anything other than low-cost fundraisers.

- July 29, 2010 Low-Cost Fundraiser (\$1,720.00): Funds received for the low-cost fundraiser reported for July 29, 2010 were received from the online ticket vendor for advance ticket sales for the Summer Picnic. The following table itemizes the funds collected for advance ticket sales from online vendor, Brown Paper Tickets:

Summer Picnic – Advance Ticket Sales	UNIT PRICE	QUANTITY	TOTAL RECEIVED
Picnic Tickets	\$20	31	\$620.00
Picnic & Beer/Wine Tickets	\$25	44	\$1,110.00
TOTAL FUNDS RECEIVED			\$1,720.00

No evidence was found to indicate that advance ticket sales for the Summer Picnic was anything other than a low-cost fundraiser.

Total funds received from the Summer Picnic ticket sales (advance & day-of-event) and door prize tickets was \$3,602.00. Picnic expenses paid by the 5th LD Democrats totaled \$898.33. The total amount of contributions distributed to the other participating legislative districts (41st, 45th, 48th) was \$620.00. The net gain (after deducting expenses & distributions) for the 5th LD Democrats was \$2,083.67 for the Summer Picnic. No evidence was found to substantiate the allegation that these low-cost fundraisers were an attempt to funnel contributions to the campaign of Dean Willard.

During the 2010 election cycle, the 5th LD Democrats committee chose to support two candidates running for State Representative in the 5th Legislative District: Greg Hoover

(position 1) and Dean Willard (position 2). During 2010, the 5th LD Democrats made contributions in the amount of \$7,921.06 to Greg Hoover and contributions in the amount of \$6,921.06 to Dean Willard. No evidence was found to support your allegation that events reported by the 5th LD Democrats as low-cost fundraisers did not qualify as low-cost fundraisers, or that the 5th LD Democrats passed on unidentified contributions to the 2010 campaign of Dean Willard.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the 5th LD Democrats.

Thank you for bringing this matter to our attention. The process relies on citizens monitoring campaign activity to promote full compliance with the law. Your actions will contribute to better awareness of the Public Disclosure Law and better public disclosure of important campaign information.

If you have questions, you may contact Phil Stutzman at (360) 664-8853, toll-free at 1-877-601-2828, or by e-mail at phil.stutzman@pdc.wa.gov.

Sincerely,


Doug Ellis
Interim Executive Director

c: Jim Baum, Chair, 5th LD Democrats