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4 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
5 **OF THE STATE OF WASHINGTON**

6
7 In re: Compliance with RCW 42.17A
8 Friends to Elect Lynda Wilson,
9 Respondent.

PDC Case No.: 30922

RESPONSE TO COMPLAINT FILED BY
WASHINGTON STATE DEMOCRATIC
PARTY

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11 **I. INTRODUCTION**

12 On November 17, 2017, counsel representing the Washington State Democratic Party filed
13 forty citizen action complaints with Attorney General Bob Ferguson's office. All forty complaints
14 were filed against Republican state legislators and county party organizations. These citizen action
15 complaints alleged various failures to comply with campaign finance rules. In a press release
16 issued the same day, Democratic Party Chair Tina Podlodowski stated these forty complaints were
17 filed as a response to previous complaints made against Democrats. One of those forty complaints
18 named Senator Lynda Wilson.
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21 The Campaign Finance Unit of the Attorney General's Office conducted a review of the
22 complaint against Senator Wilson, and following that review, declined to pursue the matter further.
23 By letter dated January 11, 2018, the Campaign Finance Unit informed the complainant that the
24 Attorney General's Office would not review the matter further, nor file a judicial enforcement
25 action.
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In light of the Campaign Finance Unit's decision, the complainant then filed an identical
complaint with the Public Disclosure Commission. The complaint alleges Senator Wilson's

1 authorized political committee, Friends to Elect Lynda Wilson, did not (1) timely file its February
2 2016 C-4 Report; and (2) timely deposit six campaign contributions. These allegations are
3 discussed in detail below.

4 **II. ALLEGATION ONE: FAILURE TO TIMELY FILE C-4 REPORT**

5 With certain exceptions, a campaign must file a C-4 report by the tenth of each month (that
6 covers financial activities of the previous month) when there is over \$200 in contributions received
7 or expenditures made during the reporting period. The complaint alleges that the campaign failed
8 to submit the February 2016 C-4 report until December 17, 2016. The report in question includes
9 only two items: (1) a \$5,000 candidate loan; and (2) a \$2.25 expenditure.
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11 On February 29, 2016, then-Representative Wilson loaned her Senate campaign \$5,000.
12 The campaign treasurer loaded this information into the ORCA software and timely reported this
13 loan on the C-3 report filed on March 8, 2016. The campaign treasurer, who had no previous
14 experience with the ORCA software or as a campaign treasurer, did not separately file a C-4 report
15 at this time. The first campaign expenditure did not actually occur until March.
16

17 On December 17, 2016, the treasurer was closing out the books when he noticed in ORCA
18 that—unlike every other reporting period—there was no checkmark in the system indicating that
19 a C-4 for February had been filed. He double-clicked to file the report and then refiled other reports
20 to make sure the Public Disclosure Commission had current information for every reporting
21 period. As it turns out, the \$2.25 expenditure was incurred later in the campaign and should have
22 been attributed to a different reporting period.
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1 **III. ALLEGATION TWO: FAILURE TO TIMELY DEPOSIT SIX**

2 **CONTRIBUTIONS**

3 Campaign finance rules require that monetary contributions must be deposited within five
4 (5) business days of receipt. “Receipt” of a contribution occurs at the earliest of: (1) the date the
5 candidate, treasurer, or appropriate campaign official obtains possession of the contribution; (2)
6 the date the candidate, treasurer, or appropriate campaign official is informed of the contribution
7 or becomes aware that the campaign has possession of the contribution; or (3) the date that the
8 contribution becomes available for use by the candidate or committee. The complaint alleges the
9 campaign did not deposit contributions within five business days of receipt in six instances. One
10 of those instances involves a check received by mail, two of them involve a transfer of funds (with
11 written permission) from a separate campaign account, and three of them involve online
12 contributions processed by a third-party vendor. Each is explained in more detail below.

15 **A. Hunters Heritage Council PAC Contribution (Check)**

16 On Saturday, April 16, 2016, the candidate received a \$1,000 check from Hunters Heritage
17 Council PAC via U.S. mail. On that date, the candidate texted the campaign treasurer a photo of
18 the check accompanied by the text “Picked up today. Will deposit Monday.” She deposited the
19 check on Monday, April 18, 2016. When the treasurer reported the contribution on the appropriate
20 C-3 report, he erroneously included the date listed on the check (April 7, 2016) instead of the date
21 actually received (April 16, 2016).
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23 **B. Washington State Auto Dealers Contribution (Transfer)**

24 On April 7, 2016, the Washington State Auto Dealers sent an email to the candidate
25 authorizing the transfer of a \$500 contribution from the candidate’s House campaign account to
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1 her Senate campaign account. On April 19, 2016, the candidate forwarded that email to the
2 campaign treasurer. On April 22, 2016, the credit union finalized the transfer.

3 **C. Cerisse Wilson Contribution (Transfer)**

4 On April 7, 2016, Cerisse Wilson sent an email to the candidate authorizing the transfer of
5 a \$100 contribution from the candidate's House campaign account to her Senate campaign
6 account. On April 7, 2016, the candidate forwarded that email to the campaign treasurer. On April
7 27, 2016, the credit union finalized the transfer.
8

9 **D. Peter Bascetta Contribution (Online)**

10 The campaign used a third-party application called Anedot to process online donations.
11 When a person made a donation using this service, Anedot sent an email to the candidate and
12 campaign treasurer indicating a donation had been made. This email also included (1) the name of
13 the donor; (2) the amount of the donation; and (3) the time of the donation. Anedot held the funds
14 until a transfer to the campaign bank account could be completed. This required an authorized
15 campaign official to be aware of the donation and then log onto the website and initiate a transfer
16 (minus processing fees) to the campaign bank account. Once the transfer was initiated, it could
17 take up to a week before the funds were deposited and available for use.
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20 At 11:21pm on Sunday¹, September 25th, Peter Bascetta made a \$50 online donation. It is
21 unknown when campaign officials became aware of this donation, but on Thursday, September
22 29, 2016, the campaign treasurer initiated a funds transfer. The transfer was completed on Monday,
23 October 3, 2016.
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¹ This is based on the timestamp of the email generated by Anedot. It is not entirely clear when the funds were actually collected, as the online system says the transaction took place at 1:20am on Monday, which would make the deposit within five business days in that case.

