

September 28, 2017

To: Public Disclosure Commission

From: Senator Bob Hasegawa

RE: Allegations of Violations of RCW Title 42

We have performed a cursory review of the records in question. An analysis is below.

Exhibit A charges that the campaigns failed to file timely reports of deposits and contributions.

Lines 79-169 are regarding allegations of alleged violations that occurred in 2017. We deny all of these allegations. All deposits were made timely and reports filed timely and accurately. Some were amended to provide additional information about contributors that was subsequently acquired but there were no changes to the contribution or deposit amounts included in the original.

Lines 1-78 are addressed in the following table:

Exhibit	Line Item	Date Received	Date Deposited	Alleged	Actual	Date Report	Report Due	Alleged	Actual	Campaign	Explanation	Violation
A	37-78	7/13/2016	7/18/2016	0	0	7/28/2016	7/25/2016	3	3	Senate/16	C3 report filed 3 business days late.	TRUE
A	36	7/12/2016	7/18/2016	0	0	7/28/2016	7/25/2016	3	3	Senate/16	C3 report filed 3 business days late.	TRUE
A	35	8/16/2016	8/17/2016	0	0	8/26/2017	8/24/2016	4	2	Senate/16	C3 report filed 2 business days late.	TRUE
A	33-34	8/9/2016	8/17/2016	1	1	8/26/2016	8/24/2016	4	2	Senate/16	Checks deposited 1 business day late. C3 report filed 2 business days late.	TRUE/TRUE
A	30-32	7/10/2016	7/10/2016	0	0	7/17/2016	7/17/2016	6	0	Senate/16	C3 report due 5 business days after deposit. C3 report filed 5 business days after deposit.	FALSE
A	28-29	9/30/2016	10/1/2016	0	0	10/10/2016	10/7/2016	7	1	Senate/16	C3 report due 5 business days after deposit. C3 report filed 1 business day late.	FALSE/TRUE
A	27	9/27/2016	9/27/2016	0	0	10/10/2016	10/4/2016	8	4	Senate/16	Check deposited 3 business days late. C3 report due 5 business days after deposit. C3 report filed 4 business days late.	TRUE
A	26	6/7/2016	6/17/2016	3	3	6/24/2016	6/24/2016	8	1	Senate/16	C3 report due 5 business days after deposit. C3 report filed 1 business day late.	TRUE
A	19-25	9/27/2016	9/27/2016	0	0	9/30/2016	10/4/2016	21	0	Senate/16	C3 report due 5 business days after deposit. C3 report filed 3 business days after deposit. Amended to correct error.	FALSE
A	18	6/30/2017	6/30/2017	0	0	7/28/2017	see explanation	25	0	Senate/20	This is bank interest that was miscoded as "misc receipts". Reported with other bank interest received from the filing of the last report.	FALSE
A	13-17	5/24/2016	5/25/2016	0	0	5/29/2016	6/1/2016	52	0	Senate/16	C3 report due 5 business days after deposit. C3 report filed 2 business days after deposit. Amended in error, then amended again to correct the mistake.	FALSE
A	12	11/25/2015	11/26/2015	0	0	4/7/2016	12/4/2015	119	88	Senate/16	C3 report filed 88 business days late.	TRUE
A	11	11/17/2015	11/26/2015	2	1	4/7/2016	12/3/2015	119	89	Senate/16	Check deposited 1 business day late. C3 report filed 89 business days late.	TRUE/TRUE
A	9-10	10/15/2015	10/21/2015	0	0	4/7/2016	10/28/2015	164	108	Senate/16	C3 report filed 108 business days late.	TRUE
A	8	10/5/2015	10/21/2015	9	7	4/7/2016	10/28/2015	164	108	Senate/16	Check deposited 7 business days late. C3 report filed 108 business days late.	TRUE/TRUE
A	7	9/16/2015	9/22/2015	0	0	4/7/2016	9/29/2015	192	129	Senate/16	C3 report filed 129 business days late.	TRUE
A	2-6	12/8/2015	12/9/2015	0	0	4/7/2016	12/16/2015	194	79	Senate/16	C3 report filed 79 business days late. Amended to correct error later.	TRUE
A	1	9/16/2014	9/20/2014	0	0	4/7/2016	9/27/2014	563	310	Senate/16	C3 report filed 310 business days late.	TRUE

Exhibit B charges that the campaigns failed to file timely reports of expenditures

This table addresses alleged violations that occurred in 2017:

Exhibit	Line Item(s)	Reporting Period	Due Date	Date Repo	Campaign	Explanation	Violation
B	137-140	June 1 - July 10 2017	7/11/2017	7/12/2017	Senate/20	C4 Report filed 1 business day late.	TRUE
B	121-122, 131, 135-136	July 11-24 2017	7/25/2017	7/25/2017	Mayoral/17	C4 Report 100778750 filed timely.	FALSE
B	123-140, 132-134	July 11-24 2017	7/25/2017	7/29/2017	Mayoral/17	C4 Report 100779489 amending 100778750 filed 3 business days late.	TRUE
B	96-100	June 1 - July 10 2017	7/11/2017	7/11/2017	Mayoral/17	C4 Report 100774728 filed timely.	FALSE
B	90-95	June 1 - July 10 2017	7/11/2017	7/11/2017	Mayoral/17	Miscoded as expenditure - should have been repayment of debt.	FALSE
B	29-31	May 1-31 2017	6/12/2017	6/12/2017	Mayoral/17	Expenditure reported timely on C4 Report 100774728.	FALSE
B	9	March 1-31 2017	4/10/2017	6/9/2017	Senate/20	C4 Report 100767917 filed timely.	FALSE
B	9	March 1-31 2017	4/10/2017	6/9/2017	Senate/20	C4 Report 100767052 filed 43 business days late.	TRUE
B	2	January 1-31 2017	2/10/2017	6/9/2017	Senate/20	C4 Report 100767050 filed 82 business days late.	TRUE

This table addresses alleged violations that occurred in 2014-2016:

Exhibit	Line Item(s)	Reporting Period	Due Date	Date Repo	Campaign	Explanation	Violation
B	106-111, 113-117, 119-120	August 01-31 2016	9/12/2016	9/1/2016	Senate/16	C4 Report 100717975 filed timely.	FALSE
B	112118	August 01-31 2016	9/12/2016	9/26/2016	Senate/16	C4 Report 100722534 amending C4 100717975 filed 10 business days late.	TRUE
B	102-103	July 12 - July 25 2016	7/26/2016	7/28/2016	Senate/16	C4 Report 100712041 filed 2 business days late.	TRUE
B	104-105	July 12 - July 25 2016	7/26/2016	8/2/2016	Senate/16	C4 Report 100713790 amending C4 100712041 filed 5 business days late.	TRUE
B	101	July 12 - July 25 2016	7/26/2016	8/12/2016	Senate/16	C4 Report 100715517 amending C4 100713790 filed 10 business days late.	TRUE
B	57-84, 86-89	June 1 - July 11 2016	7/12/2016	7/11/2016	Senate/16	C4 Report 100707289 filed timely.	FALSE
B	85	June 1 - July 11 2016	7/12/2016	7/17/2016	Senate/16	C4 Report 100708773 amending C4 100707289 filed 3 business days late.	TRUE
B	56	June 1 - July 11 2016	7/12/2016	8/2/2016	Senate/16	C4 Report 100713787 amending C4 100708773 filed 15 business days late.	TRUE
B	55	November 1 - 30 2016	12/12/2016	1/3/2016	Senate/16	C4 Report 100739518 filed 13 business days late.	TRUE
B	32-54	November 1 - 30 2016	12/12/2016	1/3/2016	Senate/16	C4 Report 100739518 filed 13 business days late.	TRUE
B	28	May 1-31 2016	6/10/2016	6/14/2016	Senate/16	C4 Report 100702243 filed 2 business days late	TRUE
B	11-18, 21-27	May 1-31 2016	6/10/2016	6/14/2016	Senate/16	C4 Report 100702243 filed 2 business days late	TRUE
B	10, 19-20	May 1-31 2016	6/10/2016	8/1/2017	Senate/16	C4 Report 100713634 amending C4 100702243 filed 40 days late.	TRUE
B	3-8	April 1-30 2016	5/11/2016	5/11/2016	Senate/16	C4 Report 100695061 filed timely.	FALSE
B	1	September 1-30 2014	10/10/2014	5/18/2016	Senate/16	C4 Report 100689593 filed 398 business days late.	TRUE

Exhibit C alleges late reported expenditures, in-kind contributions, and debts.

This table addresses allegations that occurred in 2017:

Exhibit	Line	Item	Campaign	Discussion	Violation
				The payments made to Mr. Fertakis do not meet the definition of a contingent payment. Payments were made during the reporting period in which they occurred and there was no outstanding debt at the time of payment.	
C	15-18	Payments for Campaign Management Services to Michael Fertakis	Mayoral/17		FALSE
C	24	Reimbursement for King County Elections Filing Fee	Mayoral/17	Was not reported when the debt was incurred, only when it was reimbursed.	TRUE
C	19	Reimbursement for Governor's Ball Tickets	Senate/2020	Was not reported when the debt was incurred, only when it was reimbursed.	TRUE

This table addresses allegations that occurred in 2016:

Exhibit	Line	Item	Campaign	Discussion	Violation
				The payments made to Mrs. Bright do not meet the definition of a contingent payment. Payments were made during the reporting period in which they occurred and there was no outstanding debt at the time of payment.	
C	5-13	Payments to Cathi Bright for Consulting Services	Senate/16		FALSE
C	1	Payment to Alicia Fusion Bistro for Event Planning	Senate/16	This expense was incurred and paid on 6/24. It was not a debt incurred in May.	FALSE
C	2	Payment to Alicia Fusion Bistro for Food and Beverage	Senate/16	This expense was incurred and paid on 8/9. It was not a debt incurred during the period of the 7-day pre-primary C4.	FALSE
C	3	Reimbursement payment to Tony Au	Senate/16	This expense was actually incurred during the June reporting period and was miscategorized as an expense, rather than a debt and payment of that debt. However, it was reported timely.	FALSE
C	14	Payment to Ryan Catabay	Senate/16	Unable to determine the validity of this complaint without further investigation. It is possible that some of the expenses were incurred outside of the reporting period.	Not Known
C	20-23	Reimbursement payment to Robert Hasegawa	Senate/16	These expenses were not reported as debt at the time they were incurred (June 2016 for the fundraiser, and over a period of several months for the email service)	TRUE
C	4	Payment to Boruck Printing for Yard Signs	Senate/16	This expense was miscategorized. It should have been reported as a debt with payment in May 2016. The issue is how it was reported though, there is no timeliness issue.	TRUE
C	25	Gratuity to Staff for Event	Senate/16	This expense was incurred and paid on 6/27. It was not a debt and was reported properly and timely.	FALSE
C	26	Payment for Newspaper Advertisement	Senate/16	This expense was incurred and paid on 6/8. It was for a future publication and the agreement was entered into on that date.	FALSE
C	33	Payment for Graphic Design Services	Senate/16	Unable to determine the validity of this complaint without further investigation. It is possible that some of the expenses were incurred outside of the reporting period.	Not Known
C	34	Payment for Newspaper Advertisement	Senate/16	This expense was incurred and paid on 11/4. It was not a debt and was reported properly.	FALSE
C	35	Payment for Remit Printing	Senate/16	This expense was incurred in the March 2016 reporting period, paid for, delivered, and invoiced on 04/01	TRUE
C	36-37	Payments for Mailing and Campaign Literature	Senate/16	These expenses were incurred a few days prior to the payment, but in the same reporting period. So they may have been miscategorized as expenses rather than debt, but were reported timely.	FALSE
C	38	Payment for Stage & Table for Fundraising Event	Senate/16	This expense was incurred and paid on 6/27. It was not a debt and was reported properly and timely.	FALSE
C	39	Payment for Ad & Design	Senate/16	This expense was incurred a few days prior to the payment, but in the same reporting period. So they may have been miscategorized as expenses rather than debt, but were reported timely.	FALSE

Exhibit D – Failure to identify sub-vendors

With the exception of line 27, these allegations are true. Line 27 was a direct payment to a vendor for providing prepared food for an event, so we deny that incident was a violation.