



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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December 15, 2017

Sent electronically by email to:

Danielle Franco-Malone: franco@workerlaw.com

Randy Marler, Campaign Manager: spokaneforhonestgovernment@gmail.com

Brandon Bacon, Treasurer: spokaneforhonestgovernment@gmail.com

Rich Bruce, Committee Member, spokaneforhonestgovernment@gmail.com

Renee Barkart, Committee Member, spokaneforhonestgovernment@gmail.com

Deborah Gaddess, Committee Member, spokaneforhonestgovernment@gmail.com

Danielle Franco-Malone
Schwerin Campbell Barnard
Iglitzin & Lavitt LLP
18 West Mercer St, Ste 400
Seattle, WA 98119

Subject: Public Disclosure Commission's Final Order - Spokane for Honest Government,
PDC Case 9059

Dear Ms. Franco-Malone:

The Public Disclosure Commission's Final Order in PDC Case 9059 assessed a total civil penalty of \$10,000, with \$3,000 suspended on the condition that the Respondent — your client, Spokane for Honest Government — is in compliance with all current reporting requirements, has no further violations of law or PDC rules for four years from the date of the Order, and pays the non-suspended portion of the penalty within 90 days from the date of the Order. The Commission did not require immediate payment, as stated in your November 27, 2017 letter (copy enclosed), but allowed the committee 90 days to make payment, giving Spokane for Honest Government until February 6, 2018 to make payment. The Committee's officers could also ask for additional time to pay the penalty, or ask for a payment plan.

Conditions for Suspended Penalty

Spokane for Honest Government must comply with all current reporting requirements to have \$3,000 of the penalty suspended. I am enclosing a copy of C-4 Report No. 100800480, covering the period 10/31/17 to 11/30/17, filed November 13, 2017. The report is certified by Spokane for Honest Government Treasurer Brandon Bacon in accordance with RCW 42.17A.240. By submitting the report, Mr. Bacon stated, "I

certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge." The report is marked as a Final Report. However, this C-4 report is not accurate because it does not include a Schedule B, which in Part 3 requires the filer to show outstanding debts of more than \$250.00. [RCW 42.17A.240\(8\)](#). In addition, the C-4 report does not reflect any debt on line 19 of the report, as required by [RCW 42.17A.240\(8\)](#). Spokane for Honest Government had an outstanding debt during the period covered by this report of \$7,000.00 owed to the State of Washington for a penalty assessed by the Commission on October 26, 2017 in PDC Case 9059. Spokane for Honest Government was notified of this outstanding debt on November 8, 2017 by email and U.S. mail, and had a responsibility to inform its treasurer so Mr. Bacon could file an accurate report. Failure to amend this C-4 report could put the committee, and the committee's treasurer or other officers individually, at risk of being in violation of [RCW 42.17A.240\(8\)](#).

Procedures to "wind down operations" and no longer function as a political committee

In your November 27, 2017 letter, you stated that Spokane for Honest Government has complied with the procedures provided by the Public Disclosure Commission to wind down operations, and is no longer a political committee. [RCW 42.17A.005\(37\)](#).

Staff disagrees with your assertion that Spokane for Honest Government has complied with the procedures provided by the Public Disclosure Commission to wind down operations and stop filing reports. [RCW 42.17A.235\(8\)](#) states: "When there is no outstanding debt or obligation, the campaign fund is closed, and the campaign is concluded in all respects or in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there is no obligation to make any further reports." (Emphasis added). Spokane for Honest Government has on-going reporting obligations, except that [RCW 42.17A.235\(2\)\(c\)](#) states that on the 10th day of the month in which no other reports are required to be filed under [RCW 42.17A.235](#), C-4 reports are only required to be filed if the committee has received contributions or made expenditures that exceed \$200 during the preceding calendar month.


Your November 27, 2017 letter also stated that Spokane for Honest Government chose to honor the intent of those who contributed to it, to spend those funds in support of candidates in the November 2017 general election. You stated that Spokane for Honest Government went ahead and spent what little money it had in the manner its donors intended, and as a result, by the time the election was over, it no longer had the funds that would have been necessary to pay the fine imposed on it by the Commission, and had no reasonable way of obtaining such funds.

I am sure the committee's supporters also intend for the committee to comply fully with the law. It appears from the record that Spokane for Honest Government has supporters that could help it meet its financial obligations before it winds down its operations and is no longer a political committee.

Spokane for Honest Government
Letter Concerning Commission's Final Order
PDC Case 9059
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Please contact me if you would like to discuss this matter. You can contact me by phone at (360) 664-2735, or by email at peter.lavallee@pdc.wa.gov.

Sincerely,



Peter Lavallee
Executive Director

Enclosures:

C-4 Report Covering 10/31/17 to 11/30/17
November 27, 2017 letter
September 29, 2017 letter