



October 18, 2007

Al Runte
Neighbors for Al Runte
P.O. Box 51008
Seattle, WA 98115

Re: Amended late-filing penalty letter

Dear Dr. Runte:

The Neighbors for Al Runte Committee (the "Committee") failed to file accurate reports throughout the 2007 election cycle, leaving the public with little accurate information about the campaign's finances prior to the primary election. Based on the serious deficiencies in the Committee's reporting, but taking into account the fact that our office could have alerted you to these deficiencies earlier in the process, I am imposing a \$500 late-filing penalty, as opposed to the \$1,000 penalty I initially assessed.

FACTS

The Committee failed to file the C-4 due seven days *before* the Primary election until 24 days *after* the election, and didn't file an accurate seven-day pre-Primary C-4 until a full 33 days after the Primary election.

On its 21-day pre-Primary C-4 – the last report the campaign filed before the primary election – the Committee reported receiving just \$385 in contributions up to that point, and reported loans from the candidate to the Committee of just under \$5,700. In fact, as disclosed in the Committee's accurate reports filed on September 23, the Committee received \$5,110 in contributions before Primary election day, in addition to the loans from the candidate.

Reviewing the Committee's C-3's before the election would shed little light on the state of its finances. The C-3 filed July 30 inflated the total deposit by almost \$4,400 when it included in-kind loans. And a C-3 filed on August 10 included \$1,400 in deposits that were also reported on June 13. Moreover, the Committee simply failed to timely and accurately file C-3's repeatedly over the course of the campaign.

Here is a detailed, chronological account of the deficiencies in the Committee's reports:

C-4's

- The May C-4 that the Committee filed on September 23 showed that the Committee received \$250 in monetary contributions in the month of May, and \$983.41 in in-kind contributions. The monetary contributions were reported on a C-3 on June 13, but not



included on the May C-4 filed the same day. The May C-4 that the Committee filed in June reported in-kind transactions totaling just \$17.90.

- The 21-day pre-Primary C-4 filed on July 31, covering the period from June 1 through July 24, did not include nearly \$3,000 in monetary contributions received during the reporting period. C-3's filed during the reporting period showed deposits totaling \$2,000, but only a single deposit of \$385 made on July 2 is included on the C-4.
- An accurate seven-day pre-Primary C-4, covering the period from July 25 through August 13, which showed that the Committee raised \$1,790 in the weeks leading up to the election, was not filed until September 23.

C-3's

- Contributions totaling \$920 were first reported on September 23 on three separate C-3s reporting deposits of \$60, \$110, and \$750 made from August 15 to August 20.

LATE FILING PENALTIES

The Seattle Elections Code authorizes the Commission's Executive Director to impose late filing penalties of \$10 per day for each day each report is late filed. During the final seven days before the election, those penalties increase to \$50 per day. SMC 2.04.330.B through D.

The Committee is subject to \$3,850 in late-filing penalties for the reporting errors detailed above. The penalties break down as follows:

- \$680 (33 days at \$10 per day, seven days at \$50 per day) for filing an accurate 7-day, pre-Primary C-4 on September 23, 40 days late.
- \$820 (47 days at \$10 per day, seven days at \$50 per day) for filing an accurate 21-day, pre-Primary C-4 on September 23, 54 days late.
- \$1,320 (97 days at \$10 per day, seven days at \$50 per day) for filing an accurate May C-4 on September 23, 104 days late.
- \$1,030 (93 days at \$10 per day and two days late at \$50 per day) for late filing three C-3's reporting deposits totaling \$910 on September 23, a grand total of 95 days late. Two of the C-3s were required to be filed on August 20, and the third was due on August 27.

I have decided to reduce the late-filing penalties from \$3,850 to \$500. In arriving at this fine I took into account the Committee's cooperation with our review, and the fact that your Committee neither raised nor spent a great deal of money. Against that, however, I must balance

your Committee's total failure to provide the public with an accurate picture of your campaign's finances before voters went to the polls. I also must take into account that the three penalties totaling \$260 levied by this office against your 2005 mayoral campaign appear to have done nothing to influence your conduct in this election cycle.

RIGHT TO APPEAL

You may appeal this decision by submitting to this office, by 4:00 p.m., October 18, a written request for appeal, pursuant to Administrative Rule 8.3, which provides in relevant part:

A person may appeal the Executive Director's assessments to the Commission, under the following procedure:

- (a) Upon the written request of a party aggrieved by the Executive Director's decision to impose a penalty, the decision may be reviewed by the Commission.
- (b) Such a request for review shall be served at the office of the Commission no later than fourteen (14) days after the date of mailing the decision for which review is sought.
- (c) A request for review shall state the grounds therefor, and shall be no longer than twelve 8 1/2" x 11" double-spaced pages in length with margins of at least 1" on every side, and no more than twelve characters per inch.

ACTION TO TAKE

No later than October 18, deliver to the Commission at 700 Fifth Avenue, Suite 4010, P.O. Box 94729, Seattle, WA 98124-4729, a \$500 check payable to the City of Seattle, or your request for appeal.

CONCLUSION

A major purpose of the Seattle Elections Code is to give the public timely access to information regarding the financial backing of City candidates. The Committee's failure to file accurate reports before the election denied the public the right to this information, and therefore I have no choice but to impose a substantial penalty.

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If you have any questions, please don't hesitate to call me at 684-8577.

Very truly yours,

A handwritten signature in black ink, appearing to read "Wayne Barnett". The signature is fluid and cursive, with a large initial "W" and a long, sweeping tail.

Wayne Barnett
Executive Director

cc: Seattle Ethics and Elections Commission
Doug Ellis, Public Disclosure Commission