City of Seattle

Ethics and Elections Commission

December 28, 2011

Phil Lloyd, Treasurer
Friends of Jean Godden Committee
PO Box 21522
Seattle, WA 98111

Dear Mr. Lloyd:

The Friends of Jean Godden Committee (the "Committee") failed to timely report more than $16,000 in obligations incurred prior to the Primary election. Since the omission occurred on the last C-4 before voting, and was not corrected quickly, I am imposing a penalty of $200.

**FACTS**

In its C-4 filed three weeks before the August 17 Primary election, the Committee reported $5,800 in obligations. The C-4 was amended on August 2, to add $2,051 in obligations, and again on August 4 to add another $1,159.

In the course of an SEEC pre-election audit conducted on November 3, 2011, staff reviewed a July 27, 2011 invoice totaling $17,338.76 from The Connections Group (TCG). Attached to the invoice was a list of subvendors with addresses and amounts owed, but lacking any account of when the subvendors had rendered services. Staff asked for additional documentation on November 7.

On November 14, you provided us with the requested documents, which showed that TCG received invoices totaling $16,289.61 from subvendors *prior* to your submission of the 21-day pre-Primary C-4. At our request, you also provided us with e-mails between your office and TCG from the time period leading up to the filing of the 21-day C-4. In a July 22 e-mail to your office, Linda Kelly from TCG said that she would submit the subvendor invoices and estimates by Monday, in time for inclusion on the 21-day C-4. There is no evidence that Ms. Kelly ever did that, nor is there evidence that your office followed up when she failed to do so.

On November 16, you amended the 21-day pre-Primary report to accurately reflect the $16,289.61 that the Committee incurred before the end of the reporting period. The five 21-day pre-Primary C-4's filed by the Committee showed the balance available to the Committee fall from approximately $91,000, to $89,000, to $88,000 to approximately $72,000. All of the payments to the subvendors were properly reported as expenditures on the 7-day pre-Primary report filed on August 9.

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## RELEVANT LAW

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 Commission's Elections Code Administrative Rule 4.B states that reports that contain "substantial omissions of fact" are not considered filed, and subject the committee to late filing penalties."

## LATE FILING PENALTIES

The Committee filed an accurate 21-day C-4 reporting $16,289.61 in previously unreported obligations on November 16, 113 days late.

I find the fact that public lacked an accurate account of the Committee's finances for the two weeks between the filing of the 21-day pre-Primary C-4 (when the subvendors' charges should have been reported as obligations), and the filing of the 7-day pre-Primary C-4, (when the subvendors charges were reported as expenditures), to be a mitigating factor. On the other side of the ledger is this office's "zero-tolerance" policy for material reporting errors that make a committee appear stronger than it is during the period when voters are casting ballots. Weighing these competing factors, I am imposing a $200 late-filing penalty on the Committee.

## RIGHT TO APPEAL

You may appeal this decision by submitting to this office, by 4:00 p.m., January 11, 2012, a written request for appeal, pursuant to the Commission's Administrative Rule 4.

## ACTION TO TAKE

No later than January 11 deliver payment to the Commission at 700 Fifth Avenue, Suite 4010, P.O. Box 94729, Seattle, WA 98124-4729, or your request for appeal.

## CONCLUSION

A successful campaign finance reporting regime requires that all campaigns abide by the same rules. Especially when inaccurate campaign reports have the effect of making a campaign's finances appear stronger than they were in reality, I have no alternative but to impose a fine.

If you have any questions, please call me at 684-8577.

Very truly yours,

Wayne Barnett
Executive Director

cc: Seattle Ethics and Elections Commission
Phil Stutzman, Public Disclosure Commission