



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908

(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

May 13, 2019

Delivered electronically to “senatortimsheldon@gmail.com”

Subject: Complaint filed by Samantha Kersul, PDC Case 42394

Dear Senator Sheldon:

Below is a copy of an electronic letter sent to Samantha Kersul concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Kersul, the PDC will not be conducting a more formal investigation into these allegations or take further enforcement action in this matter since you completed a Statement of Understanding (SOU), paid a \$900 civil penalty acknowledging violations of RCW 42.17A.240 by failing to accurately disclose expenditure information on Summary Full Campaign Contributions and Expenditure (C-4) reports.

Based on this information, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1). If you have questions, you may contact Alice Fiman at 1-360-586-4746 or toll-free at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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May 13, 2019

Delivered electronically to samantha@senatedemocrats.org

Subject: PDC Case 42394

Dear: Samantha Kersul

The Public Disclosure Commission (PDC) completed its review of the complaint you filed Oct. 18, 2018. Your complaint alleged that Tim Sheldon, an incumbent State Senator in the 35th Legislative District and a candidate for re-election to that office in 2018, may have violated RCW 42.17A.240 by failing to timely file complete and accurate Summary Full Campaign Contributions and Expenditure reports (C-4 reports).

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response from Tim Sheldon; the applicable C-4 reports filed by the 2018 Campaign; and data in the PDC contribution and expenditure database, to determine whether the record supports a finding of one or more violations.

We found the following:

- On April 28, 2015, Tim Sheldon filed a Candidate Registration (C-1 report) declaring his candidacy for re-election to the office of State Senator from the 35th Legislative District, selecting the Full Reporting Option, and listing himself as Treasurer, and Alex Sheldon as Campaign Manager.
- Senator Sheldon has served in the State Legislature since 1990 and was a State Representative in the 35th Legislative District until being elected State Senator in 1997.
- For the 2018 election cycle, the Committee to Elect Tim Sheldon (Campaign) disclosed \$298,755 in contributions received, and \$290,100 in expenditures made, with a \$8,655 cash on hand balance.
- The 2018 Campaign timely filed the overwhelming majority its C-3 reports for the period April 12 through December 11, 2018, with many of the C-3 reports filed early within one to two days of the contributions being deposited. In addition, the Campaign timely filed the January, February, March, April, and May 2018 C-4 reports, the 21-Day Pre-Primary Election C-4 report, the Post-Primary Election C-4 report, the 21-Day and 7-Day Pre-General Election C-4 reports and the Post-General Election C-4 report. The 7-Day Pre-Primary Election C-4 report was filed one day late.

- The Campaign failed to accurately file C-4 reports for the 2018 primary and general elections and completed a Statement of Understanding (SOU) acknowledging violations of RCW 42.17A.235 on the following C-4 reports:

21-Day Pre-Primary Election C-4 report: On July 17, 2018, the Campaign timely filed the 21-Day Pre-Primary Election C-4 report disclosing three expenditures made to FDR Services totaling \$27,000 listing the description “Management/Consulting Service”; a \$15,000 expenditure made to Andy Pasta Media with the description “Advertising”; and eight expenditures made to Stewart Hartman and Terry Wright totaling \$5,208 for “Management/Consulting Service”.

On January 31, 2019, the Campaign filed an amended 21-Day Pre-Primary Election C-4 report listing the descriptions and sub-vendor breakdown for the FDR expenditures as \$13,000 for “Retainer Fee (per contract) for Strategic and Management Services”; \$10,000 for “Social media purchase Facebook ads 7/2 through 7/20/2018”; \$2,000 for social media design costs; and \$2,000 for the “Monthly management fee.” The \$15,000 expenditure to Andy Pistay Media was for a Comcast TV buy for the period 7/4 through 7/15/2018, and the \$5,208 in expenditures made to Stewart Hartman and Terry Wright was for yard sign assembly, placement, and maintenance. The information was disclosed 199 days late, and 86 days after the November 6, 2018 general election date.

7-Day Pre-Primary Election C-4 report: On August 1, 2018, the Campaign timely filed the 7-Day Pre-Primary Election C-4 report disclosing a \$22,000 expenditure made to FDR Services for “Management and Consulting Services” and four expenditures made to Stewart Hartman and Terry Wright totaling \$2,377 for “Management/Consulting Service”.

On January 31, 2019, the Campaign filed an amended 7-Day Pre-Primary Election C-4 report listing the descriptions and sub-vendors breakdown for the FDR expenditures as \$4,000 for “Social media purchase Facebook ads 7/20 through 8/6/2018”; \$10,000 for a Comcast TV buy for the period 7/20 through 8/6/2018 “; and \$8,000 for “Broadcast TV ads 7/20 through 8/6/2018.” The \$2,377 in expenditures made to Stewart Hartman and Terry Wright was for yard sign assembly, placement, and maintenance. The information was disclosed 184 days late, and 86 days after the November 6, 2018 general election date.

Post Primary Election C-4 report: On September 9, 2018, the Campaign timely filed the Post Primary Election C-4 report disclosing two expenditures to FDR Services totaling \$7,300 for Management and Consulting Services” and seven expenditures made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper totaling \$4,542 for “Management/Consulting Service”.

On January 31, 2019, the Campaign filed an amended Post Primary Election C-4 report listing the descriptions and sub-vendors breakdown for the FDR expenditures as \$1,300 for “graphic design for mailer Caroleann Graphic Design” and \$6,000 for the “monthly management fee”, and the seven expenditures made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper were for yard sign assembly, placement, and maintenance. The information was disclosed 143 days late, and 86 days after the November 6, 2018 general election date.

21-Day Pre-General Election C-4 report: On October 16, 2018, the Campaign timely filed the 21-Day Pre-General Election C-4 report disclosing three expenditures made to FDR Services totaling \$74,000, listing the description as “Management/Consulting Service”, and 13 expenditures totaling \$9,569 made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper for “Management/Consulting Service”.

On January 31, 2019, the Campaign filed an amended 21-Day Pre-General Election C-4 report listing the descriptions for the 9,569 408 in expenditures made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper was for yard sign assembly, placement, and maintenance. The \$74,000 in expenditures made to FDR Services listed the descriptions and sub-vendor breakdown as \$25,000 for a Comcast TV buy through “View Media Services”; \$10,000 to design and have Capitol City Press print a mailer; \$29,516 for a Comcast TV buy for the period 10/1 through 10/22/2018; \$5,484 to pay Capitol City Press the remaining balance on a print order; and \$4,000 for the general election retainer fee. The information was disclosed 107 days late, and 86 days after the November 6, 2018 general election date.

7-Day Pre-General Election C-4 report: On October 30, 2018, the Campaign timely filed the 7-Day Pre-General Election C-4 report disclosing two expenditures made to FDR Services totaling \$20,000, listing the description as “Management/Consulting Service”, and eight expenditures totaling \$5,776 made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper for “Management/Consulting Service”.

On January 31, 2019, the Campaign filed an amended 7-Day Pre-General Election C-4 report listing the descriptions and sub-vendor breakdown for the \$20,000 in expenditures made to FDR Services as \$10,000 for a “Social media purchase via Theisen Design”; \$6,000 for an additional “Social media purchase via Theisen Design of Seattle, Facebook 10/19 through 10/25/2018; and \$4,000 for the monthly management fee. The \$5,776 in expenditures made to Stewart Hartman, Terry Wright, Ken Van Busker, and Ron Sharper was for yard sign assembly, placement, and maintenance. The information was disclosed 93 days late, and 86 days after the November 6, 2018 general election date.

Post-General Election C-4 report: On December 10, 2018, the Campaign timely filed the Post-General Election C-4 report disclosing two expenditures made to FDR Services totaling \$10,000 and listing the descriptions as “Media buy” and “Media advertisements.”

On January 31, 2019, the Campaign filed an amended Post-General Election C-4 report listing the descriptions and sub-vendors breakdown for the \$10,000 in expenditures made to FDR Services as \$5,000 for a “Comcast media purchase via View Media 11/1 through 11/5/2018, and \$5,000 for a “Social media purchase Facebook 11/2 through 11/6/2018. The information was disclosed 52 says late.

- Senator Sheldon stated “The gentlemen that I listed as vendors are independent contractors. They are placing campaign signs for a variety of legislative candidates, local candidates and statewide measures. My campaign is certainly not the only entity compensating them for their efforts. They are making the decisions on where signs are placed and managed. Therefore, I have described their services as consulting/management services. As for FDR Services, the vendor is also working for a variety of campaigns both in Washington and other states. FDR makes the decision on how dollars are spent for political advertising including social media and television. Therefore, I have also describe(d) their services as consulting/management services. I hope this fully describes my expenditures and satisfies the Senate Democratic campaign committee and resolves their complaint.”

As noted above, there were payments made by the Campaign to consultants, vendors, or third parties, for which a more detailed description or explanation of the goods and services provided, and a sub-vendor breakdown was required. However, the Campaign and Senator responded promptly and worked with the PDC to amend the C-4 reports disclosing the required expenditure information and assisting in resolving the complaint.

Staff would also note that Senator Sheldon has been in public office since 1986 with no prior PDC violations and has served as his own treasurer.

Tim Sheldon completed a Statement of Understanding (SOU), paid a \$900 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging violations of RCW 42.17A.240 for failing to timely file the three Pre-Election C-4 reports listed above. The \$900 penalty assessed in this matter resolves the allegations listed in your complaint concerning amending C-4 reports to disclose the required expenditure details and information.

Based on the above findings and the SOU, staff has determined that, in this instance, this matter does not warrant further investigation. The PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Alice Fiman at 1-360-586-4746 or toll-free at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

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