



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

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February 26, 2021

Delivered electronically to:  
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Craig Yabui at [cyabui@jhkelly.com](mailto:cyabui@jhkelly.com)

JH Kelly, LLC  
c/o Vanessa Power  
Stoel Rives, LLP  
600 University Street, Suite 3600  
Seattle, WA 98101

Subject: Complaint Filed by Maxford Nelsen, PDC Case 54324

Dear Ms. Power:

After a careful review of the alleged violations and relevant facts, the PDC has resolved the complaint filed by Maxford Nelsen against JH Kelly, LLC (3). The complaint has been resolved through a Statement of Understanding and dismissal, as described below.

JH Kelly, LLC completed a Statement of Understanding (SOU) in accordance with WAC 390-37-142. In the SOU, JH Kelly, LLC: (1) acknowledged a violation of RCW 42.17A.495 and WAC 390-17-100 by deducting employees' wages for political contributions to Plumbers & Steamfitters Local 598 PAC (Local 598 PAC), the political committee operated by United Association of Plumbers and Pipefitters Local 598 (Local 598), without first obtaining authorizations that comply with RCW 42.17A.495 and WAC 390-17-100; (2) expressed an understanding that the Commission will not hold an adjudicative hearing in connection with the violation; and (3) paid a \$500 civil penalty. The \$500 penalty resolves this allegation. Staff believes this is the appropriate resolution considering all the facts and circumstances, including the mitigating factor that JH Kelly may not have immediately received the PDC's February 14, 2019 warning letter and JH Kelly's good-faith efforts to come into compliance after becoming aware of the PDC's February 14, 2019 warning letter.

The complaint also alleged the otherwise compliant Version Three dispatch/authorization form created by Local 598 PAC for JH Kelly violated WAC 390-17-100 by failing to allow the employee to designate the dollar amount of the contribution to be withheld from the employee's wages. The complaint alleged the authorization form impermissibly restricted the employee's ability to choose how much to contribute to the PAC by providing a pre-determined contribution of 0.7 percent of wages, even though the template form in WAC 390-17-100 permits the employee to designate a specific dollar amount for a contribution.

Staff's investigation found an employee is not prohibited by RCW 42.17A.495 and WAC 390-17-100 from requesting a payroll deduction for political contributions based on a percentage of the employee's wages or salary, meaning that a requested deduction based on a percentage of the employee's salary is permissible. Therefore, I am dismissing that portion of the complaint in accordance with RCW 42.17A.755(1) and WAC 390-37-070.

The complaint also alleged JH Kelly violated RCW 42.17A.495(4) by failing to maintain open for public inspection documents and books of account verifying wages withheld through payroll deductions for political contributions, based on JH Kelly's alleged failure to timely produce all such records when requested to do so.

Staff's investigation found, JH Kelly's initial disclosure on June 27, 2019 was intended to be complete, but as of the date of the disclosure on June 27, 2019, JH Kelly was still in the process of reviewing records to determine whether further responsive documents existed. After the disclosure was made on June 27, 2019, JH Kelly, in good faith, continued to review records and ultimately identified additional responsive documents. Those documents were then collected, and a supplemental disclosure was made on July 30, 2019. Staff found no evidence that the timing of JH Kelly's supplemental disclosure, which occurred after the complaint was filed, was intended to interfere with or impair Freedom Foundation's request to inspect forms or the Freedom Foundation's complaint. Therefore, I am dismissing that portion of the complaint in accordance with RCW 42.17A.755(1) and WAC 390-37-070.

If you have questions, you may contact Phil Stutzman, Compliance Officer, at 360-753-1111; toll-free at 877-601-2828; or by e-mail at [pdcc@pdc.wa.gov](mailto:pdcc@pdc.wa.gov).

Sincerely,

*Electronically Signed Peter Frey Lavallee*

Peter Frey Lavallee  
Executive Director