



**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: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

September 12, 2019

Delivered electronically to Dick Haugan at "rdh@324h.com"

Subject: Complaint filed by Michael Kelly, PDC Case 55265

Dear Mr. Haugan:

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

As noted in the letter to Mr. Kelly, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by email at pdc@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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September 12, 2019

Delivered electronically to Michael Kelly at "mikekelly@msn.com"

Subject: Complaint regarding Preserve Reasonable Shoreline Management, PDC Case 55265

Dear Michael Kelly:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on July 18, 2019. Your complaint alleged that Preserve Reasonable Shoreline Management (PRSM), a 501 (c)(3) organization created by Bainbridge Island shoreline homeowners, may have violated: (1) RCW 42.17A.205 or .207 for failure to register as a political committee or incidental committee; (2) RCW 42.17A.235 for failure to timely and accurately file Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing contributions and expenditures; and (3) RCW 42.17A.320 for failure to disclose sponsor identification on political advertising.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; and the response provided by Dick Haugan on behalf of PRSM, to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found the following:

- According to its website PRSM identifies itself, in part, as "a group of concerned Bainbridge Island Shoreline Homeowners banded together to legally fight the effects of the Shoreline Management Plan (SMP)" passed by the Bainbridge Island City Council. The website includes a donation option with a disclaimer that donations are tax deductible under IRS Code 501(c)(3).
- The complaint included a copy of email correspondence addressed to "Shoreline Homeowners" and signed by PRSM Board of Directors. The contents of the message contained information about the August 6th primary election date, named three candidates who would appear on the ballot and included issues related to the general mission of PRSM.
- In his response, Mr. Haugan stated that PRSM is not a political committee and that the email was not political advertisement. He stated that the message was a privileged communication between PRSM and its members, not a broadcast email and that the message was normal communication meant to inform PRSM supporters of news and current events which is why it cited specific people, places and events.
- Staff's review found that PRSM receives contributions and makes expenditures to support the mission of Bainbridge Island Shoreline Homeowners and that their activities do not appear to meet the definition of a political committee or incidental committee requiring them to register and report as either.

- In addition, staff found that that the email communication was sent to specific recipients identified as supporters of PRSM and not “mass communication” that would make the message political advertisement requiring sponsor identification and disclosure.

Based on these findings staff has determined that, in this instance, no evidence supports a finding of a violation warranting further investigation.

Based on this information, 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 Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavalley
Executive Director

cc: Preserve Reasonable Shoreline Management