



December 5, 2019

**BY E-MAIL ONLY**

Mr. Charles Schrag

*Re: Case No. 19-2-1023-1*

Dear Mr. Schrag:

On October 23, 2019, the Washington State Public Disclosure Commission (PDC) forwarded your complaint #59005 to our office. You allege that the Egan for Seattle committee (the “Committee”) began renting a campaign office at 2015 East Union Street in Seattle on or about September 6, 2019, and that the Committee had not reported rent on their 21-Day pre-General C4 filed on October 15, 2019 or the amended C4 filed on October 19, 2019.

**Background**

On November 5, 2019, the Committee responded to your complaint stating that the Committee began renting the space on September 1, 2019 at a cost of \$500 per month, although no payments had been made as of October 14, 2019, the last day of the reporting period. On October 23, 2019 the Committee amended the 21-Day pre-General C4 to show two \$500 obligations dated September 1, and October 1, 2019.

Our investigation showed that the lease was signed on August 1, 2019 with the first payment due on September 1, 2019.

**Analysis**

Your complaint raises issues under SMC 2.04.250 and .260 which require committees to file reports of contributions received and expenditures made at specific times during the election cycle. “Expenditure” is defined in SMC 2.04.010 to include, among other things, “a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.”

The Committee was required to report the debt for the September rent, incurred in August at the lease signing, on the post-Primary C4 filed on September 10, 2019, and again along with a second debt for the October rent on 21-Day pre-General C4 due on October 15, 2019. The rent was not reported as a debt until the Committee filed an amended 21-Day pre-General C4 on October 23, 2019 upon being alerted to the missing transaction.

The Committee reported more than \$95,000 in contributions and more than \$55,000 in expenditures and debts on the post-Primary C4. The 21-Day pre-General C4 included more than \$180,000 in contributions, and more than \$150,000 in expenditures and obligations which leads

me to conclude that the failure to report two \$500 obligations was an inadvertent and minor violation of the Elections Code.

Further, I do not find the \$500 rent to have been below fair market value. The building is a shuttered gas station, and little of the space was usable for campaign purposes. The square footage of the building on the property is only 1,183 square feet, with approximately half of that devoted to bays for hoisting vehicles into the air. Our research found that rents in the area run from \$.80 up to \$3.50 per square foot, with higher rents typically for space in brand new buildings. Accordingly, \$500 per month is not an unreasonable rent.

### **Conclusion**

For the foregoing reasons, I am dismissing your complaint. You may appeal this decision by submitting to this office, a written request for appeal, pursuant to the Commission's Administrative Rule 4.<sup>1</sup>

A copy of this dismissal will be forwarded to the PDC for their files on this case.

Very truly yours,



Wayne Barnett  
Executive Director

cc: Seattle Ethics and Elections Commission (*Complainant's name and address redacted*)  
Jay Petterson, Treasurer, Egan for Seattle (*Complainant's name and address redacted*)  
Washington Public Disclosure Commission, Case #59005

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<sup>1</sup> Rule 4 APPEALS

A. Upon the written request of a party aggrieved by the Executive Director's decision to dismiss a complaint, or to impose late-filing penalties under SMC 2.04.330, the action may be reviewed by the Commission.

B. An appeal of a dismissal shall be served at the Commission's office no later than 21 days after the date of mailing the decision of which review is sought.

C. An appeal of late-filing penalties shall be served at the Commission's office no later than 14 days after the date of mailing the decision of which review is sought.

D. 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 12 characters per inch.