



**State of Washington  
PUBLIC DISCLOSURE COMMISSION**

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April 23, 2019

Delivered electronically to Glen Morgan at [glen@wethegoverned.com](mailto:glen@wethegoverned.com)

Subject: Complaint regarding Michael Chapman, PDC Case 28240

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on November 30, 2017. Your complaint alleged that Michael Chapman, a 2016 candidate for State Representative in the 24<sup>th</sup> Legislative District, may have violated RCW 42.17A.235 by failing to timely and accurately file C-3 and C-4 reports, including the failure to properly report the purpose of expenditures, as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205, and RCW 42.17A.240 by failing to timely and accurately report debt.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the C-3 and C-4 reports filed by the Mike Chapman for State Rep. (Campaign); and the response provided by the Campaign.

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

- On March 28, 2016, Michael Chapman timely filed a C-1 report declaring his candidacy for State Representative in the 24<sup>th</sup> Legislative District in 2016 and selected the Full Reporting Option.

Allegation One: Failure to timely file C-3 and C-4 reports.

- PDC staff reviewed the 63 C-3 and C-4 reports you attached in the spreadsheet (Exhibit A). Staff found that 35 of the alleged late-filed reports were filed timely. 12 were not required because of lack of activity and 15 were late between one and ten days. The remaining last report was over 30 days late for \$2,000 in contributions and \$4,657.93 in expenditures.

Allegation Two: Failure to timely and accurately report debt.

- PDC staff reviewed the 38 alleged unreported debts you attached in the spreadsheet (Exhibit B). Staff found that a few items, such as \$344.19 paid to Traylor's Restaurant on November 10, 2016, for "thank you" dinner or lunch, appear to be orders placed and paid for during the same reporting period. For the remaining items, staff noted that they appear to be debts that should have been reported on earlier C-4 reporting cycles prior to the payments being made. However, you did not provide any evidence to show that any of the expenditure depicted in your spreadsheet (Exhibit B), was preceded by a promise to pay in an earlier reporting period.

Allegation Three: Failure to properly report the purpose of expenditures.

- Staff reviewed the description of the payments made to the 14 vendors you attached in the spreadsheet (Exhibit C). Staff found that most of the expenses lacked proper description(s) or additional information as required by law. For example, on July 14, 2016 and November 2, 2016, Chinook Consulting was paid \$7,555.92 and \$8,326.80 for “1<sup>st</sup> mailing” and *Endorsement brochures*, respectively. The number of items printed for both mailers was not included. A more detailed description that includes the number of items printed and sub-vendor information if applicable, should have been included in the report by the Campaign.

Allegation Four: Illegal donation of campaign funds to candidate/political committees.

- Staff reviewed this allegation and determined that the two items you provided as evidence of illegal donations in your complaint are expenditures for services and not donations. The Campaign paid \$440 to the Clallam County and \$100 to the Democratic Party for *assistance to county committee* and *party fee* on September 21, 2016 and May 13, 2016, respectively.

Staff noted that there were expenditures made by the Campaign either to a vendor or consultant for which a more detailed explanation or description should have been provided. Staff further noted that some of the alleged unreported debts should have been reported on the reports covering the reporting period(s) immediately before the debts were paid. However, those shortcomings are mitigated by the fact that Michael Chapman has now amended all of his 2016 C-4 reports to show the breakdown of expenditures paid to his consultant – Chinook Consulting. Additionally, most of the alleged late C-3 and C-4 reports were filed timely or were not required to be filed.

Based on these findings staff has determined that, in this instance, Michael Chapman’s failure to file all reports in a timely and accurate manner, including expenditures for debt, and the failure to properly report the purpose of expenditures, does not amount to an actual material violation warranting further investigation.

However, staff is reminding Michael Chapman about the importance of filing timely and accurate C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the Campaign, including expenditures for debt, and the importance of properly reporting the purpose of the expenditures, as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205.

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 Erick Agina at 360-586-2869, toll-free at 1-877-601-2828, or by e-mail at [erick.agina@pdc.wa.gov](mailto:erick.agina@pdc.wa.gov)

Sincerely,

Endorsed by,

s/ \_\_\_\_\_  
Erick Agina, Compliance Officer

s/ \_\_\_\_\_  
BG Sandahl, Deputy Director  
For Peter Lavalley, Executive Director

cc: Michael Chapman