



**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.pdca.wa.gov

January 11, 2024

Delivered electronically to Denny Denholm at dennydenholm@hotmail.com

Subject: Complaint filed by Erica Li, PDC Case 143433

Dear William "Denny" Denholm:

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

As noted in the letter to Erica Li, 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.

However, pursuant to WAC 390-37-060(1)(d), this serves as a formal written warning concerning your failure to comply with the filing requirements noted in the enclosed letter sent to Ms. Li. PDC staff expects you to timely and accurately disclose contributions and expenditures, including in-kind contributions, on reports in future years. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

If you have questions, you may contact Tabatha Blacksmith at 1-360-586-8929, toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov

Sincerely,

Electronically signed Tabatha Blacksmith

Tabatha Blacksmith
Compliance Officer

Endorsed by,

Electronically signed Peter Frey Lavalley

Peter Frey Lavalley
Executive Director



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January 11, 2024

Delivered electronically to Erica Li at ericaliederfan@gmail.com

Subject: Complaint regarding Denny Denholm, PDC Case 143433

Dear Erica Li:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 10, 2023. The complaint alleged that William “Denny” Denholm, a 2023 candidate for School Director of Mead School District 354, failed to timely report contributions and expenditures for a campaign mailer, an activity that potentially violates RCW 42.17A.235 & .240. The statute cited in your complaint (RCW 42.17A.435) concerns concealment of a contribution, an activity for which no evidence was provided. Therefore, this case was opened with an alleged violation of RCW 42.17A.235 and .240 for failing to timely and accurately report contributions and expenditures on a C-4 (*Campaign Summary Receipts & Expenditures*) report.

PDC staff reviewed the allegations and evidence you submitted; the applicable statutes, rules, and reporting requirements; the response provided by Mr. Denholm (the “Respondent”); the applicable PDC reports filed by the Respondent; and other relevant information to determine whether the record supports a finding of one or more violations.

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

- The Respondent was a 2023 candidate for reelection to the position of School Director of Mead School District 354, an office he has held since January 1, 2019. He filed a *Candidate Registration* (C-1 report) with the PDC for his 2023 campaign on May 24, 2023 and selected the Mini Reporting option.
- On September 8, 2023, the PDC granted the Respondent’s candidate committee permission to change its reporting option from “Mini” to “Full” and the committee’s C-1 report was amended the next day (9/9/23) to reflect this change.
- A committee that selects the Full Reporting option on its C-1 report is required to report contributions and expenditures to the PDC on C-3 and C-4 reports pursuant to [RCW 42.17A.235](#) & [RCW 42.17A.240](#). The due dates for these reports are based upon the election cycle, the committee’s election participation, and its financial activity.

- On September 5, 2023, the Respondent's committee timely filed, and amended, its 21-day pre-General C-4 report covering 9/1/23 – 10/16/23. No in-kind contributions or expenditures related to a campaign mailer were disclosed on this C-4 report.
- According to your complaint, it appears the public received the Respondent's mailer on or about October 10, 2023.
- On October 17, 2023, the Respondent's committee timely filed a 7-day pre-General C-4 report covering 10/17/23 – 10/30/23, which was amended multiple times. The final amendment was timely filed on October 20, 2023. The amended report included an in-kind contribution the Respondent made to his campaign on 10/20/23 for 9,050 postcards purchased from NCG valued at \$1,647.00 ([report # 110181999](#)).
- In his October 18, 2023 email response to the complaint, the Respondent explained that he had entered his campaign's in-kind contributions into the ORCA online filing system on 9/28/23 but had erroneously believed this information would automatically populate on a C-4 report. The Respondent said he obtained help from the PDC's Filer Assistance team and indicated his belief that the C-4 report had been corrected. He added that the campaign had also reported expenditures related to a second mailer that was about to be sent out.
- On October 19, 2023, the Respondent's committee successfully amended its C-4 report covering 9/1/23 – 10/16/23 to include three in-kind contributions the Respondent made to his campaign on between 9/28/23 and 10/16/23 for 9,000 postcards and related postage costs. These items were purchased from Walt's Mailing Service and National Color Graphics and had a combined value of \$7,259.95 ([report 110181891](#)). This information was due to be reported October 17, 2023, making it two days late.
 - The amended C-4 report for 9/1/23 – 10/16/23 also included an additional \$2,341.33 in cash contributions (from 10 sources) and an additional \$2,482.60 in expenditures (for signs, a billboard, and bank/payment processing charges) that were not disclosed on the original C-4 report.
- The Respondent does not have previous warnings/violations of PDC requirements.

Non-compliance appears to have been the result of a good-faith omission, which the Respondent quickly took action to remedy. This case is further mitigated by the fact that the Respondent's amended reports were filed prior to the 2023 General election, making the information available to the voting public.

Based on our findings, staff has determined that, in this instance, failure to timely and accurately disclose contributions and expenditures, including in-kind contributions, on a C-4 report filed two days late does not amount to a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, Denny Denholm will receive a formal written warning concerning his failure to timely and accurately disclose contributions and expenditures. The formal written warning will include PDC staff's expectation that Denny Denholm timely and accurately disclose contributions and expenditures, including in-kind contributions, on reports in future years. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

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 Tabatha Blacksmith at 1-360-586-8929, toll-free at 1-877-601-2828 or by e-mail at pdc@pdc.wa.gov

Sincerely,

Electronically signed Tabatha Blacksmith

Tabatha Blacksmith
Compliance Officer

Endorsed by,

Electronically signed Peter Frey Lavallee

Peter Frey Lavallee
Executive Director

cc: William "Denny" Denholm