



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.pdcc.wa.gov

Memorandum

To: Public Disclosure Commission
From: Jennifer Hansen, Compliance Officer
Date: August 21, 2024
Subject: Karen Burke Enforcement Hearing Memorandum: PDC Case #143923

Allegations:

PDC staff alleges that Karen Burke, a candidate in the 2019 election for Whatcom County Executive, is alleged to have violated RCW 42.17A.235 and .240, by failing to timely and accurately disclose expenditures for vendor debt repayments and outstanding candidate loans.

Background:

- Karen Burke was a candidate for Whatcom County Executive in the August 6, 2019, Primary Election and received 21.75% of the vote. Ms. Burke's name did not appear on the November 5, 2019, General Election ballot.
- Ms. Burke declared her candidacy for Whatcom County Executive on May 15, 2019.
- On February 11, 2019, Karen Burke filed the C-1 report, selecting the "Full Reporting" option and listing Camila Powell as Treasurer. **[Exhibit A]**
- On October 17, 2023, PDC staff received a complaint filed by Patricia Mullett alleging that Karen Burke had violated RCW 42.17A.235 and .240, by failing to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing expenditures for vendor debt repayments and outstanding candidate loans. **[Exhibit B]**
- PDC staff sent notice of the complaint to Ms. Burke on October 25, 2023, and requested a response by November 8, 2023. **[Exhibit C]**
- After conducting a preliminary review and assessment of the complaint filed by Patricia Mullett on October 17, 2023, PDC staff opened a formal investigation and held an Initial

Hearing (Case Status Review Hearing) on January 16, 2024, pursuant to RCW 42.17A.755, and WACs 390-37-060 and 390-37-071. Ms. Burke did not participate in the Initial Hearing. **[Exhibit D]**

- Karen Burke sent a preliminary response on January 16, 2024, and requested assistance. **[Exhibit E]**
- Staff spoke to Ms. Burke and, on February 2, 2024, sent specific information regarding the amendments needed and confirmed the assignment of a Filer Assistant to help with any necessary reporting. This information was resent on March 11, 2024, and March 27, 2024, with a response requested by March 15, 2024, and April 3, 2024, respectively. **[Exhibit F]**
- On July 23, 2024, PDC staff served Karen Burke, by U.S. mail and electronic mail, with a hearing notice for a Brief Adjudicative Proceeding to be held on August 29, 2024, concerning alleged violations of RCW 42.17A.235 and .240, by failing to timely and accurately file C-4 reports disclosing expenditures for vendor debt repayments and outstanding candidate loans. **[Exhibit G]**

Laws & Rules:

[RCW 42.17A.235](#) and [RCW 42.17A.240](#) require candidates to file timely, accurate reports of contributions and expenditures. Under the “Full Reporting” option, until five months before the general election, C-3 and C-4 reports are required monthly when contributions exceed \$200* since the last report; on the twenty-first day and the seventh day preceding the date of the primary and general election date; and on the tenth day of the first month after the primary and general election date.

*Accurate for reports due for the 2019 election.

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Exhibit List:

- **Exhibit A** – Candidate Registration (C-1 report) for Karen Burke, filed February 11, 2019
- **Exhibit B** – PDC Case #143923; Karen Burke Complaint; received October 17, 2023
- **Exhibit C** – Notice of Complaint; sent electronically on October 25, 2023
- **Exhibit D** – Initial Hearing Notice (Case Status Review Hearing); dated January 10, 2024
- **Exhibit E** – Response Sent by Karen Burke; received January 16, 2024
- **Exhibit F** – Staff request for amendments; sent electronically February 2, 2024, March 11, 2024 & March 27, 2024
- **Exhibit G** – Brief Adjudicative Proceeding (Brief Enforcement Hearing) Notice; dated July 23, 2024

EXHIBIT A

 PUBLIC DISCLOSURE COMMISSION 711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828		<h1>Candidate Registration</h1>	<h1>C1</h1> (1/2008)	100884957 02-11-2019	
Candidate's Name (Give candidate's full name.) KAREN BURKE			Telephone Number 360-303-4675		
Candidate's Committee Name (Do not abbreviate.) FRIENDS OF KAREN BURKE			Fax Number		
Mailing Address 2543 MT BAKER HIGHWAY			Candidate's E-Mail Address KAREN@ELECTKARENBURKE.C-		
City BELLINGHAM		County WHATCOM	Zip + 4 98226	Campaign E-Mail Address INFO@ELECTKARENBURKE.COM	
1. What office are you running for? COUNTY EXECUTIVE		Legislative District, County or City WHATCOM CO	Position No. NA	Do you now hold this office? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
2. Political party (if partisan office) DEMOCRAT		3. Date of general or special election 11/05/2019			
4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.					
<input type="checkbox"/> Option I MINI REPORTING: In addition to my filing fee of \$ _____, I will raise and spend no more than \$5,000, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$500 in the aggregate from any contributor except myself.					
<input checked="" type="checkbox"/> Option II FULL REPORTING: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.					
5. Treasurer's Name and Address. Does treasurer perform <u>only</u> ministerial functions? Yes ___ No <input checked="" type="checkbox"/> . See WAC 390-05-243 and next page for details. List deputy treasurers on attached sheet. CAMILA POWELL 3212 MT BAKER HIGHWAY, BELLINGHAM WA 98226			Daytime Telephone Number 360-296-0734		
6. Persons who perform only ministerial functions on your behalf <u>and</u> on behalf of other candidates or political committees. List name, title and address of these persons. See WAC 390-05-243 and next page for details. <input type="checkbox"/> Continued on attached sheet.					
7. Committee Officers and other persons who authorize expenditures or make decisions on your behalf. List name, title and address. See next page for definition of "officer." <input checked="" type="checkbox"/> Continued on attached sheet. CAMILA POWELL, TREASURER, 3212 MT BAKER HIGHWAY, BELLINGHAM WA 98226 VANESSA BLACKBURNADV, CAMPAIGN COMMITTEE, 2114 YOUNG ST, BELLINGHAM WA 98225 FLO SIMON, CAMPAIGN COMMITTEE, 2530 PARK STREET, BELLINGHAM WA 98225 ANYA MILTON, CAMPAIGN COMMITTEE, 6199 HAMILTON AVE, FERNDALE WA 98248 TAYLOR RUBART, CAMPAIGN COMMITTEE, 1700 EAST WOOD WAY, LYNDEN WA 98264 SARAH CHAN, CAMPAIGN COMMITTEE, 7909 W GOLF COURSE DR, BLAINE WA 98230 CHEYANNA STRICKLAND, CAMPAIGN MANAGER, 4140 LAKEWAY DRIVE, BELLINGHAM WA 98229 LAURA CLARK, CAMPAIGN COMMITTEE MEMBER, 6066 WILLIAMS LAKE ROAD, DEMING WA 98244 DEVIN CONNOLLY, CAMPAIGN COMMITTEE, 1621 FRONTIER VALLEY LANE, MAPLE FALLS WA 98266					
8. Campaign Bank or Depository WHATCOM EDUCATIONAL CREDIT UNI		Branch SUNSET	City BELLINGHAM		
9. Related or Affiliated Political Committees. List name, address and relationship. <input type="checkbox"/> Continued on attached sheet.					
10. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address. Street Address, Room Number, City where campaign books will be available for inspection 3212 MT BAKER HIGHWAY, BELLINGHAM In order to make an appointment, contact the campaign at (telephone, fax, e-mail): 360-296-0734 CAMI@ELECTKARENBURKE.COM					
11. CERTIFICATION: I certify that this report is true, complete and correct to the best of my knowledge. Candidate's Signature KAREN BURKE					
				Date 02-11-2019	

Attachment to C1 – Candidate Committee Registration

Name **KAREN BURKE**

5. Deputy Treasurers Name and Address.

6. Persons who perform only ministerial functions, Name, Title and Address.

7. Committee Officers, List Name, Title and Address.

CHRISTINA WALLIN	CAMPAIGN COMMITTEE	2020 N MAHONIA PL, BELLINGHAM WA 98229
DAVE WALLIN	CAMPAIGN COMMITTEE	2020 N MAHONIA PL, BELLINGHAM WA 98226

EXHIBIT B

Respondent Name

Karen Burke

Complainant Name

Patricia Mullett

Complaint Description

[Patriciamullettwa](#) reported via the portal

(Tue, 17 Oct 2023 at 10:22 PM)

RE: Possible Violations of RCW 42.17A and WAC 390 by Karen Burke (Friends of Karen Burke):

W 42.17A.235 and .240 Failure to timely and accurately file C-3 and C-4 reports

W 42.17A.435 Concealment of contributions and expenditures

W 42.17A.405 and WAC 390-17-302 Acceptance of overlimit contributions

To the Commission:

I am contacting you because Karen Burke (Friends of Karen Burke) (the Committee) appears to have committed a number of violations of RCW 42.17A with regard to her race for Whatcom County Executive in 2019.

Ms. Burke ran for but lost her primary election race for Whatcom County Executive in 2019. Her last Committee report of any kind was C-4 report No. 100930305 which was filed September 10, 2019, and covered the period of July 30, 2019, through August 31, 2019 (attached). That report discloses a cash on hand balance of \$3,154.75 and liabilities of \$19,391.53 for a net deficit of \$16,236.78.

The liabilities disclosed in this report are to Blue Spruce Strategies:

y 29, 2019: \$502.78 for 4,000 walk cards,

y 29, 2019: \$6,588.75 for mailing of unknown number of pieces, and

y 29, 2019: \$6,300.00 for estimated mailing of 18,000 pieces.

The total for these listed liabilities is \$13,391.53.

Blue Spruce Strategies is a political consulting firm located in Whatcom County and still active and involved in this current election cycle in Whatcom County. Importantly the liabilities to Blue Spruce Strategies are not for simple "general consulting" invoices or some kind of win bonus. Instead, they are for hard goods – mailings and walk cards – and as such, it is important that resolution of these liabilities be disclosed to the public.

There are only a few possibilities for what ultimately transpired regarding these liabilities:

s possible Karen Burke raised funds, either her own or from others or some combination of both, within the limited window of time allowed for that purpose and paid all outstanding liabilities but neglected to report and disclose any of the contributions or expenditures and still hasn't more than 1,000 days after her campaign ended. It is important to note that Karen Burke is still listing an outstanding loan from herself to the campaign for \$6,000.

s also possible that Blue Spruce strategies forgave the liabilities. If this occurred it would constitute a significant undisclosed, overlimit contribution to the Committee. Overlimit and undisclosed contributions are the most serious violations of Washington state's Fair Campaign Practices Act because of the enormous advantage they provide the recipient. In this case, the \$13,391.53 in unpaid for mail and walk cards would constitute approximately 20% of Karen Burke's entire campaign expenditures. As above, none of these transactions, legal or otherwise, have been disclosed and are over 1,000 days late.

other possibility is that some other donor paid Blue Spruce Strategies directly for these liabilities and bypassed the Committee altogether. As per scenario #2 above, this would constitute an undisclosed inkind contribution to the Committee, and, if so, a hidden, overlimit contribution occurred and was not reported.

Fortunately, resolving these matters should be relatively easy. While requesting that updated or amended filings be made by the committee is useful given the high likelihood that a large number of significant transactions went unreported, because there is also the potential that a significant overlimit contribution(s) has been made, the PDC should also request copies of checks, invoices and bank statements to ensure no overlimit contributions were made and to ensure the integrity of any new filings. Only when this kind of substantial review has taken place will the public be fully informed of the nature and severity of the violations that appear to have occurred here.

Finally, to the extent Blue Spruce Strategies, a well-established consulting and lobbying firm, itself facilitated any concealed contributions or expenditures and/or made any overlimit contributions, a full complaint or investigation of Blue Spruce may also well be warranted.

Sincerely,
Patricia Mullett

What impact does the alleged violation(s) have on the public?

List of attached evidence or contact information where evidence may be found

List of potential witnesses with contact information to reach them

Certification (Complainant)

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.

Washington State Public Disclosure Commission
P.O. Box 40908
Olympia, WA 98504
October 17, 2023

RE: Possible Violations of RCW 42.17A and WAC 390 by Karen Burke (Friends of Karen Burke):

1. RCW 42.17A.235 and .240 Failure to timely and accurately file C-3 and C-4 reports
2. RCW 42.17A.435 Concealment of contributions and expenditures
3. RCW 42.17A.405 and WAC 390-17-302 Acceptance of overlimit contributions

To the Commission:

I am contacting you because Karen Burke (Friends of Karen Burke) (the Committee) appears to have committed a number of violations of RCW 42.17A with regard to her race for Whatcom County Executive in 2019.

Ms. Burke ran for but lost her primary election race for Whatcom County Executive in 2019. Her last Committee report of any kind was C-4 report No. 100930305 which was filed September 10, 2019, and covered the period of July 30, 2019, through August 31, 2019 (attached). That report discloses a cash on hand balance of \$3,154.75 and liabilities of \$19,391.53 for a net deficit of \$16,236.78.

The liabilities disclosed in this report are to Blue Spruce Strategies:

1. July 29, 2019: \$502.78 for 4,000 walk cards,
2. July 29, 2019: \$6,588.75 for mailing of unknown number of pieces, and
3. July 29, 2019: \$6,300.00 for estimated mailing of 18,000 pieces.

The total for these listed liabilities is \$13,391.53.

Blue Spruce Strategies is a political consulting firm located in Whatcom County and still active and involved in this current election cycle in Whatcom County. Importantly the liabilities to Blue Spruce Strategies are not for simple "general consulting" invoices or some kind of win bonus. Instead, they are for hard goods – mailings and walk cards – and as such, it is important that resolution of these liabilities be disclosed to the public.

There are only a few possibilities for what ultimately transpired regarding these liabilities:

1. It is possible Karen Burke raised funds, either her own or from others or some combination of both, within the limited window of time allowed for that purpose and paid all outstanding liabilities but neglected to report and disclose any of the contributions or expenditures and still hasn't more than 1,000 days after her campaign ended. It is important to note that Karen Burke is still listing an outstanding loan from herself to the campaign for \$6,000.
2. It is also possible that Blue Spruce strategies forgave the liabilities. If this occurred it would constitute a significant undisclosed, overlimit contribution to the Committee. Overlimit and

undisclosed contributions are the most serious violations of Washington state's Fair Campaign Practices Act because of the enormous advantage they provide the recipient. In this case, the \$13,391.53 in unpaid for mail and walk cards would constitute approximately 20% of Karen Burke's entire campaign expenditures. As above, none of these transactions, legal or otherwise, have been disclosed and are over 1,000 days late.

3. Another possibility is that some other donor paid Blue Spruce Strategies directly for these liabilities and bypassed the Committee altogether. As per scenario #2 above, this would constitute an undisclosed inkind contribution to the Committee, and, if so, a hidden, overlimit contribution occurred and was not reported.

Fortunately, resolving these matters should be relatively easy. While requesting that updated or amended filings be made by the committee is useful given the high likelihood that a large number of significant transactions went unreported, because there is also the potential that a significant overlimit contribution(s) has been made, the PDC should also request copies of checks, invoices and bank statements to ensure no overlimit contributions were made and to ensure the integrity of any new filings. Only when this kind of substantial review has taken place will the public be fully informed of the nature and severity of the violations that appear to have occurred here.

Finally, to the extent Blue Spruce Strategies, a well-established consulting and lobbying firm, itself facilitated any concealed contributions or expenditures and/or made any overlimit contributions, a full complaint or investigation of Blue Spruce may also well be warranted.

Sincerely,

Patricia Mullett

EXHIBIT C

[Jennifer Hansen](#) replied

Wed, 25 Oct 2023 at 8:58 AM

To:karen.burke@msn.com

Hello Karen Burke,

The Public Disclosure Commission received a complaint from Patricia Mullett on October 17, 2023, which has been assigned PDC Case Number 143923.

The Complaint alleges the following:

- **Alleged violation of RCW 42.17A.235 and .240 for failure to timely and accurately report expenditures for vendor debt repayments and outstanding candidate loans**

Please review the attached complaint and provide your response by **Wednesday, November 8, 2023**.

In your response, please specifically address the current status of outstanding debts and loans.

If you determine there is a need to file or amend reports as part of this case, you may review our guides and instructions at the website (<https://www.pdc.wa.gov/registration-reporting>).

If further assistance filing or amending reports beyond the guides and videos is needed, please reply to this message with a request to be assigned a Filer Assistance Specialist so that you receive timely and coordinated guidance.

For more information about the enforcement process, please see our [Enforcement Guide](#).

If you have any questions, please reply to this email.

Thank you,

Jennifer Hansen (she/her)
Compliance Officer
Public Disclosure Commission
pdcc@pdc.wa.gov
1.360.586.4560

Please click **Reply when responding to this email

EXHIBIT D



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January 10, 2024

PDC Case: 141815

Sent electronically to Karen Burke at “karen.burke@msn.com”

Notice of Initial Hearing (Case Status Review)

Respondent: Karen Burke
Initial Hearing/meeting date: Tuesday, January 16, 2024
Time: 11:00AM (PST)
Place: Remotely by telephone through Microsoft Teams
Evergreen Plaza Building
Olympia, WA 98504

PDC Staff: Peter Frey Lavalley, Executive Director, Public Disclosure
Commission

Authority: RCW 42.17A.755(3) & WAC 390-37-071

This is to notify you that the Public Disclosure Commission (PDC) intends to open a formal investigation on January 16, 2024, and, on that date, PDC staff will conduct an Initial Hearing (Case Status Review) concerning the complaint filed by Patricia Mulliett on October 17, 2023.

The complaint alleged that you may have violated RCW 42.17A.235 and .240 for failing to disclose vendor debt repayments and outstanding candidate loans during the 2019 election.

The Initial Hearing (Case Status Review) is not an adjudicative proceeding. It is conducted in accordance with WAC 390-37-071 and is intended to provide you with information concerning the investigative process, including possible alternatives to resolve the matter.

You are not required to participate in the hearing. Further, your failure to participate will not prejudice your rights concerning the investigative process, or any potential future adjudicative proceeding in the matter.

Karen Burke
Initial Hearing (Case Status Review), PDC Case 143923
Page 2

In addition to sending this Notice of Initial Hearing (Case Status Review) by email, I can send a separate email with instructions for participating in the hearing by video conference or telephone.

If you wish to participate in the Initial hearing, either by video conference or telephone, please notify Jennifer Hansen, Compliance Officer, by replying directly to the email to which this notice is attached. I will send additional instructions regarding participation in the hearing upon your response.

Sincerely,

Electronically signed Peter Frey Lavallee
Peter Frey Lavallee
Executive Director

EXHIBIT E

[Karen Burke](#) replied

Tue, 16 Jan 2024 at 6:02 AM

To:"PDC Support" <pdcc@pdcc.wa.gov>

External Email

Good Morning Jennifer,

Thank you for reaching out. Honestly, I have been so busy with work that I am just taking a look at this!

I have not yet had a chance to review these past campaign finances. I know I have no outstanding debts or any debts that were written off. My wife and I paid out of our personal funds at the end of the campaign.

I am at all day meetings for the next 3 days and traveling on the 19th. I will not be able to attend the hearing.

Can we make a time to meet next week? I can use some help figuring out what to file to rectify this issue.

Thank you so much!

Sincerely,

Karen

EXHIBIT F

[Jennifer Hansen](#) replied

Fri, 2 Feb 2024 at 9:42 AM

To:karen.burke@msn.com

Karen Burke,

Thank you for speaking with me this morning. As discussed, some amendments and reporting will need to be done to bring the 2019 campaign records up to date.

Please obtain the following information from your bank or other financial sources:

- A record of the cash on hand balance \$3,154.75 that you believe may have helped pay down the debt owed to Blue Spruce Strategies LLC.
- Any records showing a monetary deposit made into your 2019 campaign to help cover the cost of a subsequent payment of the debt balance.
- Any records showing the expenditure from the 2019 campaign to Blue Spruce Strategies LLC to pay the balance owed.
- Any record of the date that you forgave the \$6,000 loan owed to you as the candidate.

For your convenience, I have attached the C-4 I read the numbers from this morning so you can use this in your research.

Scott Haley from our Filer Assistance team has been assigned to help you. As I mentioned, Scott can help you with amendments and reporting but will likely not be able to do much until you have the records.

Thank you. Scott and I will communicate about the assistance you need. Let me know if you need more from me.

Jennifer Hansen (she/her)
Compliance Officer
Public Disclosure Commission
pdcc@pdcc.wa.gov
1.360.586.4560

****Please click [Reply](#) when responding to this email**

[Jennifer Hansen](#) replied

Mon, 11 Mar 2024 at 7:23 AM

To:karen.burke@msn.com

Karen Burke,

Thank you for speaking with me last month. As discussed, some amendments and reporting will need to be done to bring the 2019 campaign records up to date.

Please obtain the following information from your bank or other financial sources:

- A record of the cash on hand balance \$3,154.75 that you believe may have helped pay down the debt owed to Blue Spruce Strategies LLC.
- Any records showing a monetary deposit made into your 2019 campaign to help cover the cost of a subsequent payment of the debt balance.
- Any records showing the expenditure from the 2019 campaign to Blue Spruce Strategies LLC to pay the balance owed.
- Any record of the date that you forgave the \$6,000 loan owed to you as the candidate.

For your convenience, I have attached the C-4 I read the numbers from this morning so you can use this in your research.

Scott Haley from our Filer Assistance team has been assigned to help you. As I mentioned, Scott can help you with amendments and reporting but will likely not be able to do much until you have the records.

I hope to have this case resolved soon and must wait for your amendments first. Please respond by **Friday, March 15, 2024**.

Thank you. Scott and I will communicate about the assistance you need. Let me know if you need more from me.

Jennifer Hansen (she/her)
Compliance Officer
Public Disclosure Commission
pdcc@pdcc.wa.gov
1.360.586.4560

Please click **Reply when responding to this email

Jennifer Hansen replied

Wed, 27 Mar 2024 at 11:45 AM

To:karen.burke@msn.com

Karen Burke,

Thank you for your continued cooperation. As discussed, some amendments and reporting will need to be done to bring the 2019 campaign records up to date.

Please obtain the following information from your bank or other financial sources:

- A record of the cash on hand balance \$3,154.75 that you believe may have helped pay down the debt owed to Blue Spruce Strategies LLC.
- Any records showing a monetary deposit made into your 2019 campaign to help cover the cost of a subsequent payment of the debt balance.
- Any records showing the expenditure from the 2019 campaign to Blue Spruce Strategies LLC to pay the balance owed.
- Any record of the date that you forgave the \$6,000 loan owed to you as the candidate.

For your convenience, I have attached the C-4 I read the numbers from this morning so you can use this in your research.

Scott Haley from our Filer Assistance team has been assigned to help you. As I mentioned, Scott can help you with amendments and reporting but will likely not be able to do much until you have the records.

I hope to have this case resolved soon and must wait for your amendments first. Please respond by **Wednesday, April 3, 2024**.

Thank you. Scott and I will communicate about the assistance you need. Let me know if you need more from me.

Jennifer Hansen (she/her)
Compliance Officer
Public Disclosure Commission
pdc@pdc.wa.gov
1.360.586.4560

Please click **Reply when responding to this email

EXHIBIT G



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July 23, 2024

KAREN BURKE
2543 MT BAKER HIGHWAY
BELLINGHAM WA 98226

Also delivered electronically to karen.burke@msn.com

Subject: Brief Enforcement Hearing Notice; PDC Case Number 143923

HEARING INFORMATION

Date and time: **Thursday, August 29, 2024 at 1:00 p.m.**
Place: Remotely from Olympia
Live Audio and Online Transmission
Presiding Officer: Allen Hayward, Chair, Public Disclosure Commission
Authority: RCW 42.17A and WAC 390

On the above date, the Public Disclosure Commission (PDC) will hold a Brief Adjudicative Proceeding (Brief Enforcement Hearing) in accordance with RCW 42.17A.110 and RCW 42.17A.755, concerning the allegation that you violated RCW 42.17A.235 and .240, by failing to timely and accurately disclose expenditures for vendor debt repayments and outstanding candidate loans.

Under the Brief Enforcement Hearing rules, the Presiding Officer has the authority to assess a civil penalty in accordance with WAC 390-37-143, a penalty schedule adopted by the Commission (see enclosed copy).

You are not required by law to personally attend. However, the PDC recommends that respondents personally appear whenever possible.

Respondent and Complainant Notice Rights:

In accordance with WAC 390-37-060(5), the respondent and complainant are being provided notice 10 days in advance of the hearing. In accordance with WAC 390-37-030, the complainant does not have special standing to intervene in the hearing but may be called as a witness at the discretion of PDC staff. The Presiding Officer has the discretion to allow comment by a person other than the respondent during their consideration of the complaint. Any person who wishes to comment should notify staff at least three business days before the proceeding.

WAC 390-37-030 allows the complainant or any other person to submit documentary evidence and/or written factual or legal statements to the staff at any time up to and including the fifth calendar day before the date of any enforcement hearing or proceeding.

If there are materials you wish to have considered at the Brief Enforcement Hearing, you may attend the hearing in person, participate by telephone, remotely or submit written materials addressed to the Presiding Officer. Any written materials you choose to provide in advance of the Brief Enforcement Hearing should describe the facts of your case and any circumstances or mitigating factors you would like the Presiding Officer to consider. Please submit your written response so it is received by no later than **5 p.m. August 22, 2024**.

If you plan on participating at the Brief Enforcement hearing or have questions about the hearing process, please contact PDC Staff by email at pdcc@pdc.wa.gov – and be sure to reference case number 141815 in the subject line of the email.

Sincerely,

Jennifer Hansen
Compliance Officer
Direct Line: (360)586-4560
pdcc@pdc.wa.gov

Enclosures

- Brief Enforcement FAQ's
- PDC Penalty Schedule [[WAC 390-37-143](#)]

PARTICIPATING IN THE HEARING VIA MICROSOFT TEAMS

The Brief Enforcement Hearing will be audio and video recorded. The Presiding Officer and PDC Staff will attend in-person or remotely via Microsoft Teams videoconferencing platform.

- **PLEASE READ the entire instructions below *prior to the day of the hearing if you plan to participate via MS Teams.***

Please note that you may be prompted to download the MS Teams app or use a supported browser (Microsoft Edge or Google Chrome) for best performance.

Anyone wishing to participate in the hearing remotely must follow the instructions below and join the meeting on a computer or mobile app **promptly at 12:45 p.m. on August 29, 2024.** Please remain in the meeting until the Presiding Officer calls your name and case number. After your case has been heard, you may leave or stay in the meeting.

Please note that you must stay muted at all times except while your case is being heard.

Join on your computer or mobile app:

[Click Here to Join](#)

If you are unable to use Teams or experience technical difficulties, please call the PDC's main number 1-360-753-1111 to obtain information regarding alternate participation by telephone.

If you choose to participate in the hearing remotely, please be aware that you may be waiting in the queue for a unknown period of time while cases are being heard and you may have a limited amount of time to speak. If a lengthier response time is needed, please consider submitting written participation materials prior to the hearing (see below).

INTERPRETER

If a party or witness to this proceeding speaks limited English or is hearing-impaired, and needs an interpreter, a qualified interpreter will be appointed at no cost to you. Please inform us at least five business days before the hearing if you require an interpreter for this proceeding and/or translation of its written materials in a language other than English. Please contact us by email at pdcc@pdc.wa.gov or call us at (360) 753-1111 or 1-877-601-2828 to request an interpreter.

SUBMITTING WRITTEN MATERIALS

In advance of the Brief Enforcement Hearing, you may provide a written response describing the facts of your case for consideration by the Presiding Officer, including any circumstances or mitigating factors you would like considered. Please submit your written response so it is received by the PDC no later than **August 22, 2024.**

BRIEF ENFORCEMENT HEARINGS – INFORMATION FOR FILERS

You have received a letter or email from the PDC scheduling a Brief Enforcement Hearing before a PDC Commissioner. Here are the answers to some Frequently Asked Questions about these brief hearings. This FAQ is informational only and should not be considered legal advice.

What is a Brief Enforcement Hearing?

The PDC is responsible for enforcing the State's campaign finance laws. We may schedule what is called a Brief Enforcement Hearing (also known as a "Brief Adjudicative Proceeding" under the Administrative Procedure Act) to address compliance with campaign finance reporting requirements when evidence shows the following types of alleged violations may have occurred:

- Failure to file or timely file required reports of financial affairs, campaign contributions and/or expenditures, independent expenditures, or funds spent on lobbying;
- Improper use of public facilities or resources in election campaigns when the value of public funds expended or facilities used was minimal; and
- Infractions of political advertising laws regarding sponsor identification or political party identification.

Brief Enforcement Hearings may be scheduled on other matters as well, if the basic facts are agreed to or are not being contested, and it is anticipated that the likely penalty imposed (if a violation is found) will be \$1,000 or less. The Commission has adopted a penalty schedule for Brief Enforcement Hearings which can be found in the Washington Administrative Code [WAC 390-37-143](#).

A Presiding Officer, who is a PDC Commissioner, will conduct the hearing. PDC Staff will present the case to the Presiding Officer, and you will have an opportunity to explain the circumstances related to the alleged violations. You may do this in person, by telephone, or in writing by email or letter.

Who are the parties involved?

The PDC Staff initiates and investigates possible violations, and brings cases forward to the Commission or its Presiding Officer. The person who is alleged to be out of compliance with the law is referred to as the "Respondent."

What do I do to prepare for the hearing?

The brief hearings are informal in nature. You are not required to have an attorney for this hearing. Hearings take place in the PDC meeting room where Commission meetings are held. You need to let the staff know at least five business days before the hearing whether you will be participating in-person or by phone, or prefer not to participate.

If you are having other people (witnesses) testify on your behalf, they must be available at the hearing, and staff needs to be informed of the number of witnesses and time needed for their testimony when you notify the staff of your participation. The scheduled hearing starting time is the start time for several matters that will be heard by the Presiding Officer, and your case may not be the first one heard. So you will need to remain available to participate until your case is called.

Waiving your right to participate. If you have submitted nothing in writing prior to the hearing, have made no other arrangements, and you do not appear in person, by phone, or through your legal counsel at the hearing, it will be presumed that you have decided to waive your right to participate at the hearing.

What happens at the hearing?

The Presiding Officer will introduce the participants and explain the procedure for the hearing. The hearing will be audio-taped.

The Presiding Officer will swear-in PDC Staff for them to present information regarding the alleged violation of law. You will then have an opportunity to testify, which is your opportunity to present information. All testimony by staff, Respondents, and witnesses is given under oath, but at a regular meeting table or online, not in a courtroom. The Presiding Officer may ask you some questions about the information you, PDC Staff, or witnesses have presented. If you have decided to participate in writing instead of in person or by phone, your written information will be considered by the Presiding Officer as part of the hearing materials.

If at any time the Presiding Officer believes the alleged violations are serious enough to merit penalties greater than \$1,000, the Presiding Officer will adjourn the hearing and direct that the matter be scheduled for a hearing before the full Commission at a later time.

How is the decision made?

After considering all the information presented at the hearing, the Presiding Officer will make a decision about the allegation(s) and any appropriate penalty amount. The decision is typically announced orally at the hearing.

The Presiding Officer will use the penalty schedule referred to above that has been adopted by the Commission in rule to determine the appropriate penalty for certain types of violations, taking into account aggravating and mitigating factors. The penalty schedule is below.

What happens after my hearing?

A written decision, called an Initial Order, laying out the Presiding Officer's ruling, including the findings and the penalty, will be sent to you. The PDC tries to get orders issued within 10 days if possible, and not later than 30 days. If a monetary penalty is imposed in the Initial Order, the penalty must be paid to the **Washington State Treasurer**, and mailed to the address listed in the Order cover letter within the time frame stated in the Order.

Along with your Initial Order, you will also receive information about your appeal rights, including how to request review or reconsideration by the full Commission if you disagree with the Initial Order. Follow these procedures carefully if you wish to appeal. If there is no appeal before the PDC, the Initial Order becomes a Final Order, and further appeals must be made in Superior Court.

What are the rules that apply to the procedures of my hearing?

The PDC's laws and rules are available on the PDC's website at www.pdc.wa.gov. The laws are in the Revised Code of Washington ([RCW Chapter 42.17A](#)). The rules are in the Washington Administrative Code ([WAC Title 390](#)). Brief Adjudicative Proceedings are described at [WAC 390-37-140](#) through [390-37-150](#) and in the Administrative Procedure Act (APA) at [RCW 34.05.482-494](#).

Penalty Schedule [WAC 390-37-143]:

The Presiding Officer may assess a penalty up to one thousand dollars upon finding a violation of chapter [42.17A](#) RCW or Title 390 WAC.

(1) Base penalty amounts:

Violation	1st Occasion	2nd Occasion	3rd Occasion
Failure to timely file an accurate and complete statement of financial affairs (F-1):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150	\$150 - \$300	\$300 - \$600
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150	\$300	\$600
Failed to file report by date of enforcement hearing.	\$250	\$500	\$1,000
Candidate's failure to timely file an accurate and complete registration statement (C-1)/statement of financial affairs (F-1):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150 per report	\$150 - \$300 per report	\$300 - \$600 per report up to \$1,000
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150 per report	\$300 per report	\$600 per report up to \$1,000
Failed to file report by date of enforcement hearing.	\$250 per report	\$500 per report	consideration by full commission

[Excerpt above]

"Occasion" means established violation. Only violations in the last five years will be considered for the purpose of determining second and third occasions.

(2) In determining the appropriate penalty, the presiding officer may consider the nature of the violation and aggravating and mitigating factors, including:

(a) Whether the respondent is a first-time filer;

(b) The respondent's compliance history for the last five years, including whether the noncompliance was isolated or limited in nature, indicative of systematic or ongoing problems, or part of a pattern of violations by the respondent, or in the case of a political committee or other entity, part of a pattern of violations by the respondent's officers, staff, principal decision makers, consultants, or sponsoring organization;

(c) The respondent's unpaid penalties from a previous enforcement action;

(d) The impact on the public, including whether the noncompliance deprived the public of timely or accurate information during a time-sensitive period, or otherwise had a significant or material impact on the public;

- (e) The amount of financial activity by the respondent during the statement period or election cycle;
 - (f) Whether the late or unreported activity was significant in amount or duration under the circumstances, including in proportion to the total amount of expenditures by the respondent in the campaign or statement period;
 - (g) Corrective action or other remedial measures initiated by respondent prior to enforcement action, or promptly taken when noncompliance brought to respondent's attention;
 - (h) Good faith efforts to comply, including consultation with PDC staff prior to initiation of enforcement action and cooperation with PDC staff during enforcement action, and a demonstrated wish to acknowledge and take responsibility for the violation;
 - (i) Personal emergency or illness of the respondent or member of his or her immediate family;
 - (j) Other emergencies such as fire, flood, or utility failure preventing filing;
 - (k) Sophistication of respondent or the financing, staffing, or size of the respondent's campaign or organization; and
 - (l) PDC staff, third-party vendor, or equipment error, including technical problems at the agency preventing or delaying electronic filing.
- (3) The presiding officer has authority to suspend all or a portion of an assessed penalty under the conditions to be determined by that officer including, but not limited to, payment of the nonsuspended portion of the penalty within five business days of the date of the entry of the order in that case.
- (4) If, on the third occasion, a respondent has outstanding penalties or judgments, the matter will be directed to the full commission for consideration.
- (5) The presiding officer may direct a matter to the full commission if the officer believes one thousand dollars would be an insufficient penalty or the matter warrants consideration by the full commission. Cases will automatically be scheduled before the full commission for an enforcement action when the respondent:
- (a) Was found in violation during a previous reporting period;
 - (b) The violation remains in effect following any appeals; and
 - (c) The person has not filed the disclosure forms that were the subject of the prior violation at the time the current hearing notice is being sent.

[Statutory Authority: RCW [42.17A.110](#)(1) and 2018 c 304. WSR 18-24-074, § 390-37-143, filed 11/30/18, effective 12/31/18. Statutory Authority: RCW [42.17A.110](#)(1) and [42.17A.570](#). WSR 18-10-088, § 390-37-143, filed 5/1/18, effective 6/1/18. Statutory Authority: RCW [42.17A.110](#). WSR 17-03-004, § 390-37-143, filed 1/4/17, effective 2/4/17.]