

State of Washington PUBLIC DISCLOSURE COMMISSION

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August 19, 2025

Delivered electronically to Conrad Lee at <u>electronradlee@gmail.com</u> and <u>conradslee@comcast.net</u>

Subject: PDC Case 173368 regarding Conrad Lee

Conrad Lee:

The Public Disclosure Commission (PDC) completed its review of the complaint filed by Scott Aldridge on May 21, 2025. The complaint alleged violations of: RCW 42.17A.235 and .240 for failure to timely and accurately report expenditures; and RCW 42.17A.335 for sponsoring political advertising containing a false statement of material fact about a candidate for public office in the 2025 election.

Applicable Laws and Rules

A candidate that selects the Full Reporting option on their C-1 report is required to report contributions and expenditures to the PDC on *Cash Receipts Monetary Contributions* reports (C-3 reports) and *Campaign Summary Receipts & Expenditures* reports (C-4 reports) pursuant to RCW 42.17A.240. The due dates for these reports are based upon the election cycle, the candidate's election participation, and their financial activity.

Pursuant to RCW 42.17A.240(7), expenditures are disclosed on C-4 reports, which must include, but are not limited to: 1) the name and address of each person to whom an expenditure was made in the aggregate of more than \$200 during the period covered by the report; 2) the amount, date, and purpose of each expenditure; and 3) the total sum of all expenditures. Purpose details should state the goods or services provided by the vendor, including the number of items purchased, identify any candidates or ballot propositions supported or opposed by the expenditure, and the name & address of any subvendors used. For advertising expenditures, campaigns should describe the type and number of ads, where they appeared or were broadcast, and when (e.g. run dates).

Per RCW 42.17A.240(9)(a) the name and address of any person and the amount owed for any debt with a value of more than one-thousand dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within thirty days before an election, or within ten business days during any other period, shall be reported. For guidance related to the re-use of campaign yard signs, see our website: https://pdc.wa.gov/news/2024/attention-campaigns-and-committees-make-sure-youre-following-updated-rules-yard-signs

RCW 42.17A.335 in part states, (1) It is a violation of this chapter for a person to sponsor with actual malice a statement constituting libel or defamation per se under the following circumstances: (a) Political advertising or an electioneering communication that contains a false statement of material fact about a candidate for public office; (b) Political advertising or an electioneering communication that falsely represents that a candidate is the incumbent for the office sought when in fact the candidate is not the incumbent; (c) Political advertising or an electioneering communication that makes either directly or indirectly, a false claim stating or implying the support or endorsement of any person or organization when in fact the candidate does not have such support or endorsement. (2) For the purposes of this section, "libel or defamation per se" means statements that tend (a) to expose a living person to hatred, contempt, ridicule, or obloquy, or to deprive him or her of the benefit of public confidence or social intercourse, or to injure him or her in his or her business or occupation, or (b) to injure any person, corporation, or association in his, her, or its business or occupation.

Political advertising, as defined in RCW 42.17A.005(40), includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, digital communication, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.

Background and Findings

- On February 15, 2025, you filed a Campaign Registration (C-1) with the PDC, under the Full Reporting option, for City Council Member Position 2, for the City of Bellevue.
- Your committee is re-using yard signs from your 2021 campaign. Because the signs were originally used in a prior run for the same office, there is no reporting requirement, but the PDC does recommend that you make a note for your own records that the signs were purchased, and reported, in the previous campaign.
- The phrase "Mayor Lee" appeared on a slide for a presentation to campaign volunteers during a training session. In response to the complaint, the Committee indicated that "there was no intention to mislead the public into believing Councilmember Lee is the current mayor. He is consistently referred to publicly and in filings as a Bellevue City Councilmember. Using the title Mayor was done in reference to Councilmember Lee having formerly held that title while serving on the council." The slide deck for volunteer training events has been updated for future use and the title of Mayor removed. Regarding the alleged violation of RCW 42.17A.335, because the materials were not political advertising and because a candidate cannot defame themselves, PDC staff has determined there is no evidence of a violation.
- Your committee held a Kick-Off event on April 30, 2025, at the Bellevue Hilton. Costs for space and catering were \$14,744.31, invoiced on May 6, 2025, and paid on May 7, 2025. Upon receiving the complaint, the Treasurer reported these expenditures by amending the April C-4, #110282413, thinking she needed to report "the cost of any event ... as an estimate, on or before the date of the event." The April report was originally filed timely then amended on June 2, 2025, to reflect the expenditures as "estimates" but the obligation was not reported as incurred on Schedule B of the C-4 report. The April reporting was corrected on August 14, 2025, reflecting the debt incurred and the debt payment was reported on the May C-4 #110307450. The

- reporting of an obligation was approximately 4 months late and the debt payment was approximately 3 months late.
- Also associated with the Kick-off event are expenditures to the event planner, Monica Tracy, of \$3,000 for her services and \$271 for copies of materials for the event. Ms. Tracy submitted an invoice to the committee for \$3,271 on May 9, 2025, and was also paid on May 9, 2025. Upon inquiry by PDC staff, Ms. Tracy stated that there was no contract for her services but that she had in prior campaigns provided the same services at the same cost. Ms. Tracy is not a professional event planner and states that it takes her "4-6 weeks of part time work" and "is a job I do one time a year every four years for Conrad Lee and I do not do this work for anyone else." Regardless, Ms. Tracy provided a paid-for service of which the cost for her event planning services was known by the Committee prior to the event occurring and should have been reported as an obligation prior to being reported as an expenditure. Like the Bellevue Hotel expenditure, the Treasurer reported the "estimated" cost for the event planning service by amending the April C-4. The April report was originally filed timely then amended on June 2, 2025, to reflect the expenditures as "estimates," but the obligation was not reported as incurred on Schedule B of the C-4 report. The April report was corrected on August 14, 2025, reflecting the debt incurred, and the debt payment was reported on May C-4 #110307450. The reporting of an obligation was approximately 4 months late and the debt payment was approximately 3 months late.
- C-4 report #110282413 was amended by #110287529 on June 2, 2025, to include missing quantity for printed items. This information was reported approximately one month late.
- The Respondent does not have previous warnings or violations of PDC requirements within the statute of limitations.

Summary and Resolution

PDC staff has determined that there is not sufficient evidence in this matter of a violation that warrants further proceedings.

Pursuant to WAC 390-37-060(1)(d), however, you are receiving a formal written warning concerning failure to timely disclose obligations and the quantity of printed materials. The formal written warning includes staff's expectation that you timely and accurately file all future required reports of obligations, contributions, and expenditures. The Commission will consider a 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 has dismissed this matter in accordance with RCW 42.17A.755(1). If you have questions, contact Tanya Mercier, Compliance Officer, by e-mail at pdc.wa.gov.

Sincerely,

Endorsed by,

/s/ Electronically signed
Tanya Mercier
Compliance Officer

/s/ Electronically signed
Peter Frey Lavallee
Executive Director

cc: Scott Aldridge