



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

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November 8, 2012

FRIENDS OF CONRAD LEE  
4409 138<sup>TH</sup> AVE. SE  
BELLEVUE WA 98006-2205

Subject: Complaint filed by Steve Finley – PDC Case 12-108

Dear Mr. Lee:

With the concurrence of the Chair of the Public Disclosure Commission, I am dismissing the August 16, 2011 complaint filed by Steve Finley against the Friends of Conrad Lee campaign. Enclosed is a copy of the dismissal letter sent to the complainant.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828, or by email at [phil.stutzman@pdc.wa.gov](mailto:phil.stutzman@pdc.wa.gov).

Sincerely,

Andrea McNamara Doyle  
Executive Director

Enclosure



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November 8, 2012

STEPHEN FINLEY  
12606 SE 30<sup>TH</sup> STREET #3  
BELLEVUE WA 98005

Subject: Complaint against Friends of Conrad Lee – PDC Case 12-108

Dear Mr. Finley:

The Public Disclosure Commission (PDC) has completed its investigation of your complaint, received on August 12, 2011, alleging that Friends of Conrad Lee violated RCW 42.17.095(8) by transferring surplus campaign funds to a political committee, New Americans for Accountable Government, and violated RCW 42.17.080 and RCW 42.17.090 by failing to disclose the expenditure on a C-4 report.<sup>1</sup>

PDC staff reviewed your allegations in light of the following statutes:

**RCW 42.17.095** identifies the specific ways by which a candidate or candidate's authorized committee may dispose of surplus campaign funds. Specifically, RCW 42.17.095(8) states: "no candidate or authorized committee may transfer funds to any other candidate or other political committee."

**RCW 42.17.080 and .090** require candidates to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.

We reviewed campaign finance reports filed by New Americans for Accountable Government and Friends of Conrad Lee (2009) and communicated with Norm Wietting, treasurer for both committees. As a result of our investigation, we found that:

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<sup>1</sup> Effective January 1, 2012, RCW 42.17.095 was recodified as RCW 42.17A.430, and RCW 42.17.080 and .090 were recodified as RCW 42.17A.235 and .240, respectively.

- In 2009, Conrad Lee successfully sought re-election to the Bellevue City Council. At the end of his 2009 campaign, Mr. Lee's committee, Friends of Conrad Lee, had over \$7,900 in cash on hand. This surplus included the last contribution to Mr. Lee's campaign, \$5,000 received from Greater China Industries on November 6, 2009.
- On October 14, 2010, a new political committee called New Americans for Accountable Government filed a political committee registration. Mr. Lee and Mr. Wietting were listed as the committee's officers.
- On October 14, 2010, New Americans for Accountable Government received two contributions: \$2,000 from Conrad Lee and \$1,500 from Friends of Conrad Lee.
- Mr. Wietting said that when New Americans for Accountable Government was formed, Greater China Industries consented to having \$1,500 of its contribution to Mr. Lee in 2009 transferred to New Americans for Accountable Government.
- Rather than refunding the contribution to Greater China Industries so that the entity could make a direct contribution to New Americans for Accountable Government, the Friends of Conrad Lee committee transferred the contribution directly from Mr. Lee's campaign account to New Americans for Accountable Government.
- On September 30, 2011, Friends of Conrad Lee filed two C-4 reports disclosing the \$1,500 contribution to, and refund from, New Americans for Accountable Government. These corrective actions were taken in response to the PDC's investigation into your complaint. During our investigation, PDC staff advised Mr. Wietting that RCW 42.17.095 (now RCW 42.17A.430) prohibits candidate committees, including Friends of Conrad Lee, from making contributions to other political committees, including New Americans for Accountable Government. As a result, Mr. Wietting refunded the contribution that New Americans for Accountable Government received from Friends of Conrad Lee and filed amended campaign reports to reflect the refund.
- The October 14, 2010 expenditure to New Americans for Accountable Government was required to be disclosed on November 10, 2010, and was disclosed 324 days late.

Although Conrad Lee did not establish a Surplus Funds Account following his 2009 election, the funds he transferred from his campaign account on October 14, 2010 to New Americans for Accountable Government were surplus funds. Mr. Lee was unaware that if Greater China Industries wanted to use a portion of its contribution to Mr. Lee to make a contribution to New Americans for Accountable Government, he

needed to issue a refund to Greater China Industries rather than make a transfer on their behalf. The transfer was not related to the 2009 election, and the public was not denied any meaningful election related information. Mr. Lee is being reminded of the need to make only allowable expenditures from his surplus funds, and to file timely reports, including reports required to be filed following the end of an election.

Based on these initial findings and a careful review of the circumstances, including the committee's timely corrective actions, I have determined that Friends of Conrad Lee has substantially complied with applicable requirements, and no further action is warranted. For this reason, I am dismissing your complaint against Friends of Conrad Lee, with the concurrence of the Chair of the Public Disclosure Commission.

Thank you for bringing this matter to our attention. The process relies on citizens monitoring campaign activity to promote full compliance with the law. Your actions will contribute to better awareness of the campaign finance and disclosure laws.

If you have questions, you may contact Phil Stutzman at (360) 664-8853, toll-free at 1-877-601-2828, or by e-mail at [phil.stutzman@pdc.wa.gov](mailto:phil.stutzman@pdc.wa.gov).

Sincerely,

  
Andrea McNamara Doyle  
Executive Director

c: Friends of Conrad Lee