

File a Formal Complaint - Jenny Durkan for Seattle

[Phil](#) (Wed, 1 Nov at 1:38 PM) via Portal [Meta](#)

To: Peter Lavallee, Executive Director, Washington State Public Disclosure Commission
From: Jenny Durkan for Mayor Campaign

Date: November 1st, 2017

Re: Cary Moon for Mayor improper debt/loans made by Moxie Media

We believe that the Cary Moon for Mayor committee has committed three serious violations of RCW 42.17A and WAC 390-05 by (1) not reporting a pledge received by Cary Moon for financial support of her campaign, (2) accepting a pledge of support in excess of \$5,000 during the 21 days prior to the election and (3) receiving a loan in excess of the \$1,000 contribution limit per donor per cycle and \$5,000 during the 21 days prior to the election.

We further believe that Ms. Cary Moon has violated RCW 42.17A.420 by making a pledge of support in excess of \$5,000 during the 21 days prior to the election.

We further believe that Moxie Media has violated the contribution limits prescribed by state law by advancing funds to other vendors outside of normal business practices.

The Cary Moon for Mayor committee yesterday filed a C4 report for the period 10/17/17 to 10/30/2017 showing a net campaign balance of (\$182,682.94), with only \$7,473.37 cash on hand. The previous C4 showed a net balance of (\$105,223.76). Further, the latest C4 shows substantial debt to Moxie Media for postage and mailing services to JR Mailing Services, a vendor to whom a campaign would normally pay directly prior to a mailing being sent.

Detailed expenditures listed as debt from C4 filed 10/31/17:

10/16 \$56,635.19 debt to Moxie Media for "printing/postage of mailer"

10/19 \$67,744.51 debt to Moxie Media for "printing/postage of mailer"

10/30 \$35,928.25 debt to Moxie Media for "printing/postage of mailer"

Debt of more than \$160,000 is not normal business practice for any consultant, especially for a candidate who has only raised approximately \$170,000 from people other than herself. The Moon campaign debt to her consultant is almost equal to what she has raised since she declared her candidacy five months ago!

We believe that this C4 filing clearly indicates that Moxie Media is relying on Ms. Moon to cover debts that are clearly beyond the pace of their other fundraising efforts. The increase in debt by \$77,459.18 is clearly an undisclosed pledge from Ms. Moon and is over 15 times the amount that Ms. Moon can pledge during the 21 days before the election. The exact amounts paid to JR Mailing are not specified in the filing, but a reasonable estimate would be that roughly half of the cost of the mailings would be for postage and mailing service. Therefore, Moxie Media has made an illegal loan to the Moon campaign of approximately \$80,000.

If these actions by the Moon campaign and Moxie Media are acceptable, then there are essentially no limits to the amount that a campaign consultant can spend out of their own funds on media, mail or other paid communication buys on behalf of a wealthy candidate for whom they work, under the assumption that the candidate can reimburse them for all of those up front payments after election day, when campaign contribution limits (like the 21-day restriction on candidate self-contradictions) no longer apply. Having Moxie bankroll the campaign is also potentially circumventing the \$6,000 loan repayment limit to the candidate since Ms. Moon would likely not have been able to be repaid for most of these amounts had she advanced them herself (which she would have needed to do prior to October 17th).

The public has a right to know before the election if Cary Moon and her consultant are engaged in a financial shell game to conceal the fact that Cary Moon will end up contributing almost \$400,000 to her campaign, making her the single largest contributor to a candidate campaign in Seattle's history.

This is an egregious and substantial violation, amounting to potentially a six-figure sum of illegal campaign spending, an amount that is enough to potentially alter the outcome of an election. We hope you will act urgently in this matter.

RCW 42.17A.420

Reportable contributions—Preelection limitations.

(1) It is a violation of this chapter for any person to make, or for any candidate or political committee to accept from any one person, contributions reportable under RCW [42.17A.240](#) in the aggregate exceeding fifty thousand dollars for any campaign for statewide office or **exceeding five thousand dollars for any other campaign subject to the provisions of this chapter within twenty-one days of a general election.** This subsection does not apply to contributions made by, or accepted from, a bona fide political party as defined in this chapter, excluding the county central committee or legislative district committee.

(2) Contributions governed by this section include, but are not limited to, contributions made or received indirectly through a third party or entity whether the contributions are or are not reported to the commission as earmarked contributions under RCW [42.17A.270](#).

RCW 42.17A.005

Definitions.

.... (13)(a) "Contribution" includes:

(i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;