

Public Comment - provided by Glen Morgan to Public Disclosure Commission public comment 12/7/2017

Thank you for taking the time to listen.

I have been accused of many things lately. One of these accusations has involved claims that I want to “shut down the PDC” or “destroy transparency” in the elections process. Hyperbole and exaggeration tend to be the currency and lifeblood of today’s political scene, and I realize that people get emotional about both political success and failure. However, it seems like it is an appropriate time to address the silliness of these charges while also pointing out a true serious threat to the very existence of the Public Disclosure Commission that has manifested itself recently.

It is true that I have been responsible for filing more campaign finance complaints both with the Public Disclosure Commission and with the Attorney General’s office than anyone else this year. It appears likely this volume may exceed historic trends and may have even set new records. This all may be true, but this is not what matters.

I am nobody important. I am just another local activist who cares about my community and wants to make a difference. A little over a year ago, I can assure everyone that I had very little interest in our State’s campaign finance laws other than trying to comply, as best I could, when they applied to my actions. I have discussed with this commission on several occasions how I began this Quixotic effort. However, that is also not what matters today.

What does matter is the fact that compliance with the campaign finance laws by both political committees and candidates from either political party has measurably improved. In part, this is because of my efforts to research and expose the problems with the existing statute. These improvements are evidenced by simple measurements of the improved compliance of the submission of T1 reports, as one example - which existed at about 24%, until I started filing complaints and the PDC staff sent out notifications to the non-compliant jurisdictions. Now, compliance is far closer to 100%.

I believe similar, less dramatic metrics can be used to measure improvements in on-time reporting, the reporting of debt, the improvement of breaking down expenditures, a reduction in illegal donations, missing C6 forms, etc. These improvements can be measured, and while much of the credit, in my opinion, for this improvement should be directed at PDC staff, training, and support, it is also clear that this improvement has been motivated, in part (for both political parties) by the complaints I have filed.

I have made it clear since I first spoke to this commission and when I originally met with Director Lopez last year around this time that I believe some reform of the campaign finance laws are necessary. I have consistently, repeatedly made my desire to reform these laws clear. I have spoken many times and written about the need to reform this statute. While I am still compiling and collecting suggestions for the legislature to use in approaching these reforms based on the data I am collecting, there is a big difference between attempting to reform the statute, and attempting to abolish the statute.

However, while I wish to make improvements to the law to improve compliance without sacrificing the desire for the public to have transparency in elections, there are real threats to the entire concept of campaign finance law in our state. This was not something I expected to see, but it is happening right now.

The Threat

This commission may already be aware that at least three political committees have recently dissolved in an effort to avoid addressing their very clear and well documented violations of the state's campaign finance laws. Their violations were neither minor nor were they the most egregious I have discovered in my research. They had violated the state campaign finance laws, like so many others and they were in the middle of the legal process of restoring themselves to compliance. I have provided copies of each of these letters from the same law firm which represented all three political committees - Island County Democratic Central Committee, the 43rd legislative District Democrats, and the 11th Legislative District Democrats.

This commission is familiar enough with the statute to understand the grave threat these actions taken by these committees can represent to not just the PDC, but the very reason for even having campaign finance laws in the first place. However, it is worth reviewing some details and facts.

These three committees (and more shockingly, their attorneys!) believe that after they have been caught violating the law and been properly served in Thurston County Superior Court in a legal action by Washington State (ex. rel), that they can somehow escape legal consequences for those violations of the statute by "dissolving" their organization and transferring their assets to both their law firm and the Washington State Democratic Party.

Beyond the clear and obvious fact to every attorney (except the firm representing these committees) that this is fraudulent conveyance, it is also a direct threat to the campaign finance laws in our state if it is allowed. After all, if this is an approved and legal path to avoid consequences for violating the state's campaign finance laws, then why should anyone ever bother to file with the PDC in the first place? Anyone could just take a million dollars, run a political campaign for 4 months, and by the time a lawsuit is brought in court, the committee can

finish their campaign, “dissolve,” pretend it is ok, then just start a new effort under a new name. The moral hazard is obvious and the steep descent into the abyss far away from the light of transparency is assured. This descent only begins if the actions taken by these three committees were allowed to stand.

If this was just some rogue operation conducted by a handful of random political committees run by volunteers, I doubt I would even address this issue with this commission. It would merely be another campaign finance case which can be easily settled in Superior Court, which is where I now expect all these cases to be resolved. However, the big concern I have about this situation is that the Washington State Democratic Party directed and suggested to these committees to take this action. According to my contacts in other committees around the state - the State Democratic Party also suggested this course of action to many of them. Some have wisely refused to take this illegal road. However, since the Washington State Democratic Party and this law firm are the clear and obvious financial beneficiaries of this scheme, in addition to the originators of the dissolution plan, then it becomes logical that they have become Successors in Fact to the Fraudulent Conveyance.

More worrisome still, one of my attorneys has made repeated efforts to get the Washington State Attorney General’s office to formally disavow this illegal strategy to evade compliance with our state’s campaign finance laws, but we have been greeted with silence from the AG and no formal statement from them. Silence, on this matter, if it is to continue, can only be interpreted as complicity in this scheme.

I can’t imagine any other possible scenario right now more likely to destroy our state’s campaign finance laws than this fraudulent conveyance scheme being orchestrated and directed by the Washington State Democratic Party.

It seems appropriate for the Public Disclosure Commission as well as the Attorney General’s office to weigh in on this foolhardy conspiracy before it becomes more widespread and causes more potential harm to our state’s campaign finance laws.

Thank you for taking the time to listen to me today.