

## 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: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

January 18, 2019

Sent electronically to Glen Morgan

Subject: Complaint Return Letter for Complaints filed against Glen Morgan; Send a Message PAC; Conscience of the Progressives PAC; A Brighter Thurston County PAC; and Real Progressives in Thurston County PAC – PDC Case 42112.

Mr. Morgan:

Below is a copy of an electronic letter sent to the 45 Complainants concerning the complaints filed against you and Send a Message PAC; Conscience of the Progressives PAC; A Brighter Thurston County PAC; and Real Progressives in Thurston County PAC. As noted in the letter to the complainants, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

However, PDC staff noted that you registered the four newly created political committees as continuing political committees, as opposed to registering as single-year political committees, which provides for more disclosure and transparency since the candidates supported or opposed by each committee are required to be identified on the C-1pc report.

Although PDC will not be conducting a formal investigation into these allegations or taking further enforcement action in this matter, staff is reminding you, and the four political committees concerning the importance of filing timely and accurate reports disclosing committee contribution and expenditure activities in future years as required by PDC laws and rules, including registering as a single-year committee, where applicable.

Based on this information, the PDC has dismissed these matters in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Endorsed by:
s/





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January 18, 2019

Sent electronically by PDC staff to all 45 Complainants

Subject: Complaint Return Letter for Complaints filed against Glen Morgan; Send a Message PAC; Conscience of the Progressives PAC; A Brighter Thurston County PAC; and Real Progressives in Thurston County PAC; PDC Case 42112 and 42845

#### Dear Complainants:

The Public Disclosure Commission (PDC) has completed its review of the 31 initial complaints, and 14 additional complaints that you all filed against Glen Morgan and four political committees that he created and registered with the PDC for the 2018 election cycle that included: (1) Send a Message PAC; (2) Conscience of the Progressives PAC; (3) A Brighter Thurston County PAC; and (4) Real Progressives in Thurston County PAC.

Specifically, the 45 complaints alleged that the four political committees listed above, and Mr. Morgan individually, produced and distributed independent expenditures (IE) political advertising in the form of direct mail pieces that violated the following:

- 1. RCW 42.17A.205 by failing to timely file and disclose the committee officers and other required information on the Committee Registration (C-1pc report)
- 2. RCW 42.17A.320 by failing to include the party preference for the candidates featured in the IE political advertisements sponsored by the four committees.
- 3. RCW 42.17A.335 by sponsoring IE political advertising that contained false statements of material facts, and/or false endorsements about a candidate, that were made with malice.
- 4. RCW 42.17A.435 by concealing the source of contributions used by the political committees.
- 5. RCW 42.17A.442 by making contributions to another committee prior to receiving ten contributions of ten dollars or more each from at least ten persons registered to vote in Washington State.

For your information, to more efficiently use PDC resources, the 45 complaints filed against Mr. Morgan and the four political committee have been combined into one matter. PDC staff reviewed the allegation listed in the complaints and attached exhibits, the statutes, rules, PDC interpretations, and reporting requirements, as well as the C-1pc reports, the Monetary Contributions reports (C-3 reports) and Campaign Summary Full Contributions and Expenditures Reports (C-4 reports) filed by the four Committees, and the responses from Mr. Morgan. Based on staff's review, we found the following:

#### Send a Message PAC (SAM PAC) contributed to Conscience of the Progressives

• On September 5, 2018, SAM PAC filed a C-1pc report selecting the Full Reporting option and listing Glen Morgan as the Campaign Manager, and Orin Wells as the Treasurer performing only ministerial functions.

- On September 25, 2018, SAM PAC filed its initial C-3 report disclosing two contributions totaling \$10,005 received and deposited on September 18, 2018, that included a \$10,000 monetary contribution from Peter Zieve, Mukilteo Washington, and a \$5 monetary contribution from Mr. Morgan.
- On October 16, 2018, SAM PAC filed a C-3 report disclosing the receipt of a \$10,000 loan from Mr. Morgan that was received and deposited into the committee bank account on October 12, 2018. In addition, SAM PAC received a \$125 in-kind contribution from Mr. Morgan on October 1, 2018 for mailbox usage; a \$1,000 monetary contribution from Joe T. Wilson, Bellingham, Washington; and eight small non-itemized contributions totaling \$80.
- SAM PAC made its only expenditure prior to the November 5, 2018 general election being held on October 12, 2018, a \$21,125 contribution made to Conscience of the Progressives PAC.
- On December 3, 2018, SAM PAC filed a C-3 report disclosing a \$4,005 "Miscellaneous Receipt" on line 1d with an attached description stating the committee received a "Partial Refund of Contribution" from the Conscience of the Progressives PAC.
- SAM PAC filed three amended C-1pc reports during the 2018 election cycle on September 25<sup>th</sup>, October 16<sup>th</sup> and October 19, 2018.

### <u>Conscience of the Progressives PAC (CP PAC): Sponsored IE mailers in opposition to Erin</u> Frasier, Constance Fitzpatrick, Jessa Lewis and Debra Entenman

- On October 10, 2018, CP PAC filed its initial C-1pc, listing Glen Morgan as the Campaign Manager, Orin Wells as the Treasurer performing only ministerial functions and selecting the Full Reporting option. The C-1pc report listed CP PAC as a new continuing political committee, and that it was "Cooperating" with Send A Message PAC on the "Related or Affiliated committee" line but failed to register as a single-year committee, which would have required the candidates supported or opposed to have been disclosed on the report.
- On October 16, 2018, CP PAC timely filed a C-3 report disclosing the receipt of a \$21,125 monetary contribution from Send a Message PAC, that was deposited on the same day. In addition, CP PAC received its first contribution on October 10, 2018, a \$10 contribution from Mr. Morgan, and a \$125 in-kind contribution from Mr. Morgan also on October 10, 2018 for mailbox usage.
- On October 16, 2018, CP PAC timely filed the 21-Day Pre-General Election C-4 report disclosing \$21,271 in total monetary and in-kind contributions received, and \$13,818 in expenditures made.
- 15 of the expenditures made by CP PAC totaling \$12,777 were made to Walt's Mailing Service in Spokane for the IE mailers in opposition to Erin Frasier, a candidate for State Representative in the 19<sup>th</sup> Legislative District; Connie Fitzpatrick, a candidate for State Representative in the 26<sup>th</sup> Legislative District; Jessa Lewis, a candidate for State Representative in the 6<sup>th</sup> Legislative District; and Debra Entenman, a candidate for State Senator in the 47<sup>th</sup> Legislative District.
- On October 19, 2018, CP PAC filed C-6 reports disclosing \$17,025 in IE expenditures made in opposition to Ms. Frasier (\$4,582), Ms. Fitzpatrick (\$4,596), Ms. Lewis (\$4,199), and Ms. Entenman (3,648) all presented to the public on October 18, 2018. CP PAC inadvertently filed two identical C-6 reports for the IE mailer in opposition to Ms. Fitzpatrick.

- On December 10, 2018, CP PAC timely filed the Post-General Election C-4 report disclosing a \$4,005 expenditure was made to Send A Message PAC on November 15, 2018, refunding the amount of the unused contribution," and reducing totaling contributions and expenditures by the same amount.
- CP PAC filed amended C-1pc reports on October 12<sup>th</sup>, October 16<sup>th</sup> and October 19, 2018, indicating that Send A Message PAC was the sponsor. Staff noted that CP PAC received a \$21,125 contribution from a Send a Message PAC on October 12, 2018, the same day as the expenditures were made to Walt's Mailing Service. The only other contributions received were the two from Mr. Morgan listed above.
- CP PAC did not make any contributions to other political committees.

#### Teresa Purcell IE mailer

- The IE mailer stated that Teresa Purcell, a 2016 candidate for State Representative in the 19<sup>th</sup> Legislative District, should be written in as a 2018 candidate as the real Progressive candidate, despite Ms. Purcell never filing a Declaration of Candidacy, a C-1pc report declaring her candidacy in 2018, and she did not conduct a write-in campaign. The IE mailer could be interpreted as suggesting that Fuse Washington the state's largest progressive organization, had endorsed Teresa Purcell as a write-in candidate for State Representative in 2018, although it did not explicitly make that statement.
- The IE mailer contained the statement "Don't' be fooled by fake Progressives like Erin Frasier" with a (D) after it, and a fabricated ballot with Ms. Frasier's name scratched out, but with her name and a ("D") still visible. The IE mailer has a box next to Ms. Purcells's name stating "Teresa Purcell, Uncommon Experience Working for the Common Good, State Rep 19<sup>th</sup> LD POS 1, Democrat."
- For the 2018 election cycle, FUSE endorsed Erin Frasier for State Representative in the 19<sup>th</sup> Legislative District in 2018. In 2016, Fuse endorsed Ms. Purcell for her campaign for State Representative in the 19<sup>th</sup> Legislative District. The quote from the *Progressive Voters Guide* about Ms. Purcell was from the 2016 election, but without any attribution to that election.

#### Connie FitzPatrick IE mailer

- The IE mailer stated that Nathan Schlicher, a 2014 candidate for State Senator in the 26<sup>th</sup> Legislative District, should be written in as a 2018 candidate as the real Progressive candidate despite Dr. Schlicher never filed a Declaration of Candidacy or a C-1pc report declaring his candidacy in 2018, and she did not conduct a write-in campaign. The IE mailer could be interpreted as suggesting that Fuse Washington had endorsed Nathan Schlicher as a write-in candidate for State Representative in 2018, although it did not explicitly make that statement.
- The IE mailer advertisement contained the statement "Don't' be fooled by fake Progressives like Connie Fitzpatrick" with a (D) after it and a fabricated ballot with Ms. Fitzpatrick's name scratched out, but with her name still visible. The IE mailer also has a box next to Dr. Schlicher's name stating "Elect Nathan Schlicher for State House, POS 1, DEM."
- For the 2018 election cycle, FUSE endorsed Connie FitzPatrick for State Representative in the 26<sup>th</sup> Legislative District. In 2014, Fuse endorsed Dr. Schlicher for his campaign for State Senator in the 26<sup>th</sup> Legislative District. The quote from the *Progressive Voters Guide* about Dr. Schlicher was from the 2014 election, but without any attribution to that election.

#### Jessa Lewis IE mailer

- The IE mailer stated that Joe Pakootas, a 2016 candidate for US Congress from the 5<sup>th</sup> Congressional District, should be written in as a 2018 candidate as the real Progressive candidate, despite Mr. Pakootas never filed a Declaration of Candidacy or a C-1pc report declaring his candidacy in 2018, and she did not conduct a write-in campaign. The IE mailer could be interpreted as suggesting that Fuse Washington had endorsed Joe Pakootas as a write-in candidate for State Representative in 2018, although it did not explicitly make that statement.
- For the 2018 election cycle, FUSE endorsed Jessa Lewis for State Representative in the 6<sup>th</sup> Legislative District in 2018. In 2016, Fuse endorsed Mr. Pakootas for his campaign for US Congress in the 5<sup>th</sup> Congressional District. The quote from the *Progressive Voters Guide* about Mr. Pakootas was from the 2016 election, but without any attribution to that election.

#### Debra Entenman IE mailer

- The IE mailer stated that Brenda Fincher, a 2015 and 2017 candidate for Kent City Council, should be written in as a 2018 candidate as the real Progressive candidate, despite Ms. Fincher never filed a Declaration of Candidacy or a C-1pc report declaring her candidacy in 2018, and she did not conduct a write-in campaign. The IE mailer could be interpreted as suggesting that Fuse Washington had endorsed Brenda Fincher as a write-in candidate for State Senator in 2018, although it did not explicitly make that statement.
- For the 2018 election cycle, FUSE endorsed Debra Entenman for State Senator in the 47<sup>th</sup> Legislative District in 2018. In 2017, Fuse endorsed Ms. Fincher for her campaign for Kent City Councilmember. The quote from the *Progressive Voters Guide* about Ms. Fincher was from the 2017 election but without attribution to that election.

#### <u>A Brighter Thurston County PAC (ABTC PAC): Contributed to Real Progressives of</u> Thurston County

- ABTC PAC filed its initial C-1 report on September 5, 2018, listing Glen Morgan as the Campaign Manager, Orin Wells as the Treasurer performing only ministerial functions and selecting the Full Reporting option.
- ABTC PAC received its first contributions on September 18, 2018, a \$100 contribution from Mr. Morgan and a \$10,000 contribution from the Thurston County Republican Party. ABTC PAC received a total of 11 contributions that included the two contributions listed above, three \$1,000 contributions from Kevin O'Sullivan, Lakeside Industries, LLC and Seagate Properties; a \$500 contribution from Robert Schilt; and an additional \$125 in-kind contribution from Mr. Morgan on October 1, 2018 for mailbox usage.
- ABTC PAC made its first expenditure on October 12, 2018, a \$13,645 contribution made to Real Progressives of Thurston County.
- ABTC PAC made two additional expenditures, both on November 19, 2018, that included a \$5,045 expenditure made to the Thurston County Republican Party refunding the unused portion of the \$10,000 contribution, and a \$150 expenditure made to Mr. Wells for Committee Treasury duties and PDC compliance.
- ABTC filed three amended C-1pc reports on September 24<sup>th</sup>, October 16<sup>th</sup> and October 19, 2018.

### Real Progressives in Thurston County PAC (RPTC PAC): Sponsored IE mailers in opposition to Tye Menser

- RPTC PAC filed a C-1pc report on October 10, 2018, listing Glen Morgan as the Campaign Manager, Orin Wells as the Treasurer performing only ministerial functions and selecting the Full Reporting option. The C-1pc report listed RPTC PAC as a new continuing political committee, and that it was "Cooperating" with A Brighter Thurston PAC on the "Related or Affiliated committee" line. RPTC PAC failed to register as a single-year committee, which would have required the candidates supported or opposed to have been disclosed on the report.
- On October 16, 2018, RPTC PAC timely filed two C-3 reports disclosing: (1) A \$13,645 monetary contribution was received and deposited from A Brighter Thurston County PAC on October 12, 2018; and (2) A \$5 monetary contribution was the initial contribution received by the committee from Mr. Morgan on October 10, 2018. The only additional contribution received by a \$125 in-kind contribution from Mr. Morgan also on October 10, 2018 for mailbox rental.
- On October 16, 2018, RPTC PAC timely filed the 21-Day Pre-General Election C-4 report disclosing \$13,791 in total monetary and in-kind contributions received, and \$8,601 in expenditures made. The C-4 report disclosed five expenditures were made on October 12, 2018, totaling \$7,980 to Walt's Mailing Service in Spokane for the IE mailer, plus ad \$300 for the committee Treasurer and a \$200 expenditure for the graphic design for the mail piece.
- On October 19, 2018, RPTC PAC timely filed a C-6 report disclosing \$8,160 for an IE mailer made in opposition to Samuel "Tye" Menser that was presented to the public on October 18, 2018.
- On December 10, 2018, RPTC PAC timely filed the Post-General Election C-4 report disclosing a \$5,190 expenditure was made to A Brighter Thurston County PAC on November 19, 2018, refunding the amount of the unused contribution," and reducing totaling contributions and expenditures by the same amount.
- The IE mailer could be interpreted as suggesting that Fuse Washington had endorsed EJ Zita as a write-in candidate for Thurston County Commissioner in 2018, although it did not explicitly make that statement. The IE mailer contained the statement "Don't' be fooled by fake Progressives like Tye Menser ("D" Olympia)", and a fabricated ballot that had both Mr. Menser's name and Bud Blake's name scratched out, but with both names still visible and with Mr. Menser's name having a ("D") after it. The IE mailer also had a box next to Dr. Zita's name stating: "Write in: EJ Zita" followed by the statement "Let's Write in a Real Progressive: EJ Zita."
- The IE mailer requested that voter's write-in EJ Zita as the real Progressive candidate for County Commissioner in 2018, despite the fact Ms. Zita is not a declared for public office or registered with the PDC in 2018 and did not conduct a write-in campaign. FUSE endorsed Tye Menser for Thurston County Commissioner in 2018, and in 2017 Fuse endorsed Ms. Zita for her campaign for Port of Olympia Commissioner. The quote from the *Progressive Voters Guide* about Ms. Zita was from the 2017 election, but without having been attributed to that election.
- RPTC PAC filed amended C-1pc reports on October 12<sup>th</sup>, October 16<sup>th</sup> and October 19, 2018.
- RPTC PAC did not make any contributions to other political committees.

#### Glenn Morgan Response to the Complaints

On November 8, 2018, Mr. Morgan submitted a response to the allegations listed in the complaints, and stated the following:

- Concerning the failure to include the party preference of the candidates featured in the IE mailers Mr. Morgan stated, "the statute which requires identification of the party of candidates does not apply here because the proposed write-in options were not candidates pursuant to RCW 42.17A.005." He stated that he "did not communicate or coordinate with any of the write-in" candidates that were featured in the IE mailers, and that he did "not know if they are all still Democrats, or if they have changed their party affiliation." Mr. Morgan stated that EJ Zita, as a candidate seeking the office of Thurston County Port Commissioner, is a nonpartisan office and Ms. Zita did not file as a Democrat on either of the Declaration of Candidacy's filed for 2015 and 2017, or on any of her C-1 reports.
- Concerning the failure to timely file a C-1pc report and disclose all the required information,
  Mr. Morgan stated that his name is present on the form as an officer and committee manager
  for each of the four political committees. He stated when he initially filed the C-1pc reports
  for the four political committees, he was informed that the telephone number on one of the
  C-1pc reports contained a typo and he requested that his Treasurer file an amendment
  disclosing his correct telephone number.

Mr. Morgan stated that "when the form was updated my name was removed as an officer (but not campaign manager) from the form where it originally appeared. This was an inadvertent mistake by my treasurer and possibly an ORCA glitch. As soon as it was brought to our attention by the first journalist with whom I spoke it was fixed." He stated that at no time did he ever try to hide his involvement with all four political committees, and that his "name appeared on every single flier as the PAC's controlling member/officer as required by RCW 42.17A.320(2)(c)."

Concerning the allegations that the committees failed to receive contributions of ten dollars
or more from at least ten registered voters in Washington State prior to making contributions
to another political committee, Mr. Morgan stated that Brighter Thurston and Send a
Message PAC both received contributions of \$10 or more from 10 registered voters before
making contributions to another political committee.

He cited the statutory definition of contribution and stated that for one of the political committees "the pledged contributions had not arrived yet to be deposited" but that the definition of contribution includes a pledge. He stated that while he complied with the statute and reporting requirements, "it is worth nothing for the record, and the information of the various complainants who made this allegation, that the courts have rejected this part of the statute as unconstitutional in 2017."

• Concerning the alleged false statements, Mr. Morgan stated "EJ Zita, Teresa Purcell, Joe Pakootas, Nathan Schlicher and Brenda Fincher are not candidates for public office this cycle. Therefore, by their own admission, they do not meet any of the criteria in RCW 42.17A.005. Additionally, EJ Zita, Teresa Purcell, Joe Pakootas, Nathan Schlicher and Brenda Fincher <u>HAVE</u> been endorsed by these organizations, which the complainants do not deny." (Emphasis in original).

Mr. Morgan stated that "to be a violation of this statute, complainants must prove that advertising these endorsements constitute "libel and defamation", which is defined under statute as statements."

He stated, "For the record, I believe it is important to point out that I have met or exceeded the transparency requirements of the PDC in the disclaimer statement on all the fliers sent by these PACS, where I also provided the website for the PDC itself so that the public could more easily find information about these PACS."

All four committees created by Mr. Morgan were first-time committee's that registered as continuing political committees, as opposed to registering as single-year political committees which would have provided a higher degree of transparency by requiring the disclosure of the candidates supported or opposed by each committee on the C-1pc report.

Concerning the allegations listed in the 45 complaints that Mr. Morgan and the political committees that sponsored the mailers may have violated RCW 42.17A.335, by including defamatory statements against the official 2018 candidate, the purported write-in, and Fuse Washington, and that the sponsor of the advertising knew such statements were false or published them with a reckless disregard for the truth, PDC staff found:

- 1. The five IE mailers distributed by the two committees were all similar in design and messaging, and directly opposed 2018 Democratic and non-partisan candidates that had completed a Declaration of Candidacy and filed a Candidate Registration (C-1 report) with the PDC.
- 2. The messages in each mailer urged voters to choose a different "real progressive" candidate and provided the name of a purported write-in candidate for each of the five races targeted by the mailings, and each IE mailer included a statement of support for the purported write-in candidate that was attributed to Fuse Washington.
- 3. In each of the five mailers, the purported write-in candidate was not a declared candidate for the 2018 election, did not conduct a write-in campaign, and instead had publicly endorsed and in some instances contributed to the officially declared Democratic or non-partisan candidate that the mailers opposed.
- 4. In 2018, Fuse Washington did not endorse or support any of the five purported write-in candidates and had in fact has officially endorsed the official Democratic and non-partisan candidates and published the endorsements in their Voters Guide.
- 5. The statements attributed to Fuse Washington in the IE mailers about the purported write-in candidates came from previous publications of the Voters Guide from 2015-2017, where Fuse had supported the purported write-in candidate in an earlier election cycle as a declared candidate and/or for election to a different office than the office that is the subject of the mailer.

RCW 42.17A.335 does not prohibit <u>every</u> false statement made in a political advertising, but, limits the alleged violations to defamatory statements about a candidate that are published with actual malice and cause an injury to a person's reputation. There are three very specific categories of violation under the statute that apply exclusively to candidates: (a) False statements of material fact about a candidate; (b) False representations that a candidate is the incumbent in an election; and (c) False claims stating or implying the support or endorsement of a candidate when the candidate does not have such support. *See* RCW 42.17A.335(1).

Staff's review of the matter has determined that the allegations in the complaints regarding false statements of material fact, do not constitute violations of section 335, within the specific categories defined in the statute. The mailers do not include an express false statement of material fact about a candidate, they do not make false claims regarding incumbency, and they do not directly or indirectly falsely claim or imply that a candidate has the endorsement or support of a person or organization.

Although it might initially appear that category (c) is implicated where some complainants have alleged that these ads convey to voters that the <u>non-candidate</u> "write-ins" have the endorsement of certain organizations, the statute applies only to claims of support or endorsement where <u>the candidate</u> does not have such support or endorsement. The purported write-in candidates in these races are not, in fact, candidates, and therefore the statute does not apply.

Based on this information, the PDC has dismissed the allegations listed in the 45 complaints filed against Mr. Morgan; Send a Message PAC; Conscience of the Progressives PAC; A Brighter Thurston County PAC; and Real Progressives in Thurston County PAC, in accordance with RCW 42.17A.755(1).

Although PDC will not be conducting a formal investigation into these allegations or taking further enforcement action in this matter, staff is reminding Glen Morgan, and the four political committees concerning the importance of filing timely and accurate reports disclosing committee contribution and expenditure activities in future years as required by PDC laws and rules, including registering as a single-year committee where applicable.

If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,	Endorsed by:
Kurt Young, Compliance Officer	Peter Lavallee, Executive Director

cc: Glen Morgan

