



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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April 10, 2020

Delivered electronically to Glen Morgan at glen@wethegoverned.com

Subject: Complaint regarding David Sawyer 2016 & 2018 Campaigns, PDC Case 29797

Dear Mr. Morgan:

Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received December 21, 2017, initially as a Citizen Action Notice filed under RCW 42.17A.765(4), and later converted to a PDC complaint following implementation of Engrossed Substitute House Bill 2938, which took effect June 7, 2018. Your complaint alleged that State Representative David Sawyer, his related candidate committees for 2016 and 2018, and the committee officers, including the treasurer, may have habitually and willfully committed frequent and multiple violations of RCW 42.17A.

Your complaint alleged David Sawyer's 2016 and 2018 campaigns for State Representative in the 29th Legislative District may have:

1. Failed to file accurate, timely C-3 and C-4 reports (RCW 42.17A.235). You provided Exhibit A to the complaint to document the alleged violations.
2. Failed to accurately and timely report debt. (RCW 42.17A.240(8)). You provided Exhibit B to the complaint to document the alleged violations.
3. Failed to properly break down and describe expenses (RCW 42.17A.235; WAC 390-16-037; and WAC 390-16-205). You provided Exhibit C to the complaint to document the alleged violations.

RCW 42.17A.235 and **.240** require candidates, single election political committees, and continuing political committees 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 in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same time period, and must be disclosed on Monday for contributions deposited during the previous seven days.

WAC 390-16-037 obligates any person required to report the "purpose" of an expenditure under RCW 42.17A.240(6) or 42.17A.255(5)(b) to identify any candidate(s) or ballot proposition(s)

supported or opposed by the expenditure, and to describe in detail the goods and/or services provided by the expenditure. The rule includes two examples for disclosing the details of the goods and/or services provided.

WAC 390-16-205 states expenditures by agents and agents' sub-vendors, made on behalf of a candidate or political committee, shall be deemed expenditures by the candidate or committee. The rule states that in accordance with WAC 390-16-037, such expenditures shall be reported by the candidate or political committee as if made or incurred by the candidate or committee directly. The rule includes three examples for disclosing the details of the goods and/or services provided.

PDC staff reviewed your complaint, the response from David Sawyer, and appropriate reports filed by the respondent with the Public Disclosure Commission.

As a result of the investigation, staff found the following:

Alleged failure to file accurate, timely C-3 and C-4 reports (RCW 42.17A.235). The complaint included Exhibit A to document the alleged violations.

C-3 Reporting

The complaint alleged the 2016 Sawyer campaign filed 11 amended C-3 reports from 174 to 258 days late. The 11 amended C-3 reports were filed on January 10, January 22, and January 23, 2017 for previously filed reports. The underlying 11 original C-3 reports were filed timely, and the amended reports did not change the amounts included on the original reports.

C-4 Reporting

The complaint alleged six original C-4 reports were filed late for the 2016 and 2018 campaigns. The first alleged late-filed C-4 report covered January 2016, was filed 32 days late on 3/13/16, and included no contributions received and \$484 in expenditures. The five remaining alleged late-filed C-4 reports were filed from 1-3 days late.

The complaint alleged 11 amended C-4 reports for 2016 were filed 3-196 days late. The reports covered the periods of April, May, 21 day pre-primary (three amendments), 7 day pre-primary (two amendments), post-primary, 21 day pre-general, 7 day pre-general, and December. The original April and May reports were filed timely, and the contribution and expenditure amounts in the amended reports did not change.

The original 21 day pre-primary C-4 was due 7/12/16, and was filed 7/13/16. The report was amended 116 days later to add a \$21,000 expenditure for political consulting services and receipt of a \$300 in-kind contribution. The expenditure for consulting services was discovered during a post-election reconciliation of campaign records. The \$300 in-kind contribution was reported late because Mr. Sawyer was unable to obtain the value from the Tribe earlier. The violation concerning C-4 reporting, as noted above, is being resolved through a Statement of Understanding with an admission of violations and payment of a penalty, as described below.

The original 7 day pre-primary C-4 report, original post-primary C-4 report, original 21 day pre-general C-4 report, original 7 day pre-general C-4 report, and original December 2016 C-4

report were filed timely, except for one report that was filed one day late. Four of the five amended reports were unchanged, and one included a minor change.

Alleged failure to accurately and timely report debt. (RCW 42.17A.240(8)). The complaint included Exhibit B, a list of alleged debt not timely reported.

Exhibit B to the complaint included 41 examples, totaling \$158,351.78, where the complaint alleged monetary expenditures should have been reported as “orders placed, debts, or obligations” on the report preceding the report showing the monetary expenditures, based on the apparent assumption that the goods or services were likely purchased or ordered during the prior reporting period.

Staff reviewed Exhibit B and found 12 instances, totaling \$112,090.19, where it appeared the reported monetary expenditures were likely purchased or ordered during the previous reporting period. The failure to report those 12 expenditures as orders placed is being resolved through a Statement of Understanding with an admission of violations and payment of a penalty, as described below. The expenditures were as follows:

1. Paid \$1,805.10 to Express Sign Co on 6/6/16 for Yard Signs.
2. Paid \$1,189.73 to Express Sign Co 8/1/16 for Yard Signs.
3. Paid \$1,189.73 to Express Sign Co on 8/3/16 for Signs.
4. Paid \$916.23 to Express Sign Co on 8/3/16 for Signs.
5. Paid \$21,000 to Cerillion N4 Partners on 8/17/16 for Mailers.
6. Paid \$45,950 to Cerillion N4 Partners on 8/17/16 for TV Buy, Robo Calls, and Digital Advertising.
7. Paid \$5,000 to Cerillion N4 Partners on 8/17/16 for TV Buy, and Add-On.
8. Paid \$5,000 to Cerillion N4 Partners on 8/17/16 for Paid Phones.
9. Paid \$2,460 to Mark Ladenburg on 10/21/16 for Website Design.
10. Paid \$8,900 to Meyers Research on 10/27/16 for Polling.
11. Paid \$979.40 to Puyallup Tribe of Indians on 11/23/16 for Event/Food.
12. Paid \$17,700 to Cerillion on 11/23/16 for Consulting Services and Mailers.

Alleged failure to properly break down and describe expenses (RCW 42.17A.235; WAC 390-16-037; and WAC 390-16-205). The complaint included Exhibit C, a list of expenditures that allegedly failed to include a proper breakdown.

Exhibit C identified 22 examples where the complaint alleged the Sawyer campaign failed to properly break down or describe monetary expenditures, totaling \$104,069.65. The complaint

alleged that expenditure descriptions failed to list the number of items purchased or printed, failed to list sub-vendors paid by the recipient of the expenditure payment, or failed to identify media outlets for broadcast political advertising. Staff reviewed Exhibit C and found 17 instances, totaling \$101,660.25, where it appeared the expenditures required a more complete breakdown or description of the expenditures.

To resolve these alleged violations, Mr. Sawyer will receive a formal written warning as described below.

After a careful review of the alleged violations and relevant facts, PDC staff has concluded its investigation.

Pursuant to WAC 390-37-060(1)(f), David Sawyer completed a Statement of Understanding (SOU) and paid a \$1,000.00 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging the following violations: (1) the failure to file a timely, accurate C-4 report disclosing a \$21,000 expenditure (RCW 42.17A.235 & .240); and (2) the failure to accurately and timely report debt (RCW 42.17A.240(8)). The \$1,000.00 assessed penalty resolves these allegations.

Pursuant to WAC 390-37-060(1)(d), David Sawyer will receive a formal written warning concerning his 2016 campaign's failure to properly break down or describe monetary campaign expenditures, the failure to list sub-vendor payments, and the failure to list the underlying vendors when reimbursements are made. Mr. Sawyer will be informed the Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Because staff's investigation did not find evidence of violations warranting enforcement action beyond the Statement of Understanding and Formal Written Warning described above, I am dismissing the remaining alleged violations in your complaint in accordance with WAC 390-37-070.

If you have questions, you may contact Phil Stutzman, Compliance Officer, at 360-753-1111; toll-free at 877-601-2828; or by e-mail at pdcc@pdc.wa.gov.

Sincerely,

Electronically Signed Peter Lavallee

Peter Lavallee
Executive Director