



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: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

March 5, 2019

Delivered electronically to “marko@markoliias.com”

Subject: PDC Case 27228

Dear Marko Liias:

Below is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Glen Morgan, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(b), this letter serves as a warning letter concerning your failure to properly report the breakdown of expenditures made by the campaign and report debts on Campaign Summary Receipts and Expenditures (C-4) reports, as provided by RCW 42.17A.235.

This formal written warning comes with the staff's expectation that you will amend C-4 report 100707756, filed July 12, 2016, to provide additional information on the expenditures for t-shirts, stickers/signs and postcards and file timely and complete reports in future years in accordance with PDC laws and rules.

The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules, or if you fail to file the requested amended reports.

If you have questions, you may contact Alice Fiman at 1-360-586-4746 or toll-free at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

Sincerely,

/s _____
Alice Fiman
Compliance Office

Endorsed by,

/s _____
Peter Lavallee
Executive Director



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: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

March 5, 2019

Delivered electronically to "glen@wethegoverned.com"

Subject: Complaint regarding Marko Liias, PDC Case 27228

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed Oct. 18, 2017.

Your complaint alleged Marko Liias, an incumbent State Senator and a candidate seeking election to State Treasurer in 2016, may have violated RCW 42.17A.235 and .240 by: (1) failing to timely file Campaign Summary Receipts and Expenditures reports (C-4), and several Monetary Contributions reports (C-3); (2) failing to provide the proper reporting breakdown for a number of expenditures made by the campaign, including more than \$70,000 in media advertising; (3) failing to report debts and obligations; and (4) violations of RCW 42.17A.700 and .710 for failing to accurately file and amend the Personal Financial Affairs Statement (F-1).

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the Nov. 16, 2017 response Sen. Marko Liias sent to the Washington State Attorney General (AGO) and the Aug. 16, 2018 response to the PDC from Josie Olsen, a compliance coordinator

for Blue Wave Political Partners, LLC, concerning her work for the Marko Lias for Senate campaign and the C-3, C-4 and F-1 reports filed by the Marko Lias for Senate campaign.

Based on staff's review, we found the following:

- Mr. Lias was a State Representative from 2008 to 2014 serving in the 21st Legislative District.
- In 2014, Mr. Lias was elected to the State Senate serving in the 21st Legislative District.
- In 2016, he was a candidate for State Treasurer; however, he did not advance to the 2016 General Election.
- On August 20, 2017, Marko Lias filed a Candidate Registration (C-1) to declare his candidacy for State Senate and is currently a State Senator serving in the 21st Legislative District.

Allegation #1: Failure to timely file C-3 and C-4 reports

The complaint alleged that the Marko Lias Campaign failed to timely file C-3 reports due Aug. 15 and 29, 2016; Oct. 24, 2016; Dec. 10, 2016; and Sep. 10, 2017. In addition, the complaint alleged the Campaign failed to timely file C-4 reports due July 12, 2016; Oct. 18, 2016; March 10, 2017 and Sept. 10, 2017.

- The C-4 reports filed Aug. 10, 2016, Nov. 10, 2016 and Sept. 11, 2017 were filed by the Marko Lias for Senate Campaign. These reports were filed timely, by the 10th of the month or when required, on Mondays for the previous week.
- The C-4 reports filed March 14, 2017 and Sept. 13, 2017 were amended reports filed by the Marko Lias for Senate Campaign.
- The C-3 reports filed Sept. 7, 2016; Dec. 12, 2016; and Sept. 9, 2017 were filed by the Marko Lias for Senate Campaign. These reports were filed timely, by the 10th of the month or on Monday for the previous week.
- The C-3 report filed Nov. 10, 2016 by the Marko Lias for State Treasurer Campaign was filed timely as he did not advance to the General Election for State Treasurer.
- The C-3 report filed Oct. 20, 2016 by the Marko Lias for State Treasurer Campaign was filed ten days late. Marko Lias stated, "After the August Primary election, my campaign continued to file reports as required until the committee could be closed. Believing the activity for September was under the \$200 reporting threshold, a C-4 was not originally filed for September. During an internal and routine records inspection, my treasurer identified an unanticipated credit card fee from Sept. 6, which had been overlooked. While the \$309.83 credit card processing fee could not reasonably have any bearing on the outcome of the election from a month earlier, our campaign team was committed to full transparency and rectified this error immediately by filing a report on Oct. 20."

Allegation #2: Failing to disclose debts and obligations on C-4 reports

The complaint alleged that the Campaign failed to disclose debts and obligations on the C-4 report for orders placed in a prior reporting period.

- Marko Liias stated, “My campaign appropriately reported debt items on each monthly C4 report. It appears in the relevant exhibit to the Citizen Action Notice that the complainant simply lists committee expenses and claims they should have been reported as debt on the previous C4 report without explanation or review. For example, he claims a media production debt owed to Kelly Hall Struble, LLC should have been reported on the 7-day pre-primary due on July 26. This debt was reported on the 7-day pre-primary and was filed on July 26.”
- Marko Liias is expected to review and follow PDC guidance on Outstanding Debt in future years.

Allegation #3: Failing to breakdown sub-vendor information for expenditures disclosed on C-4 reports

The complaint alleged that the Campaign failed to properly breakdown the sub-vendor information for a \$40,000 media buy, and alleged additional expenditures required a sub-vendor breakdown,

- On Aug. 16, 2018, the Campaign filed amended C-4 reports for the months covering August 2016, December 2016, and January 2017, providing additional expenditure information.
- Marko Liias will be asked to update C-4 report 100707756, filed July 12, 2016, to provide additional information on the expenditures for t-shirts, stickers/signs and postcards.

Allegation #4: Failure to accurately disclose ownership of a PERS retirement account as an asset.

The complaint alleged Marko Liias failed to report the value of his PERS retirement account, an asset. You stated Marko Liias, as a longtime state lawmaker, would have a PERS account with a value that exceeded the \$2,400 statutory reporting threshold.

- In his response to the ATG, Senator Liias indicated he did not believe there was a need to report his PERS account as an asset as he “did not have control of my pension account assets until I left public employment or retired.”
- Senator Liias then contacted the Public Disclosure Commission and was notified he did need to list his PERS account on his F-1.
- On Nov. 16, 2017, Senator Liias amended his F-1 to list his PERS account as an asset.

Allegation #5: Failing to disclose transactions of organizations where filer serves as trustee.

The complaint alleged Marko Liias is a board member of the Transportation Choices Coalition (TCC) and that he is required to disclose organizations and individuals giving more than \$12,000 to TCC.

- No evidence was provided in the complaint that TCC receives payments from a business customer or government agency of \$12,000 or more, for property, goods, services, or other consideration.

- Senator Lias stated in his response that organizations and individuals giving more than \$12,000 to TCC are not providing compensation or making payments.
- Lias listed organizations with TCC grants of more than \$12,000.

Pursuant to WAC 390-37-060(1)(b), Marco Lias will receive a formal written warning concerning errors on the F-1 report and several of the C-4 reports filed for the 2016 election, including the sub-vendor breakdown and details of certain expenditures. Upon notification of these errors, Senator Lias amended his F-1 report, and the Lias Campaign timely amended three C-4 reports making the necessary technical corrections to the C-4 reports covering the period of August 2016, December 2016 and January 2017 providing additional expenditure information.

The formal written warning will include staff's expectation that Marco Lias will amend C-4 report 100707756, filed July 12, 2016, to provide additional information on the expenditures for t-shirts, stickers/signs and postcards and file timely and complete reports in future years in accordance with PDC laws and rules.

The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules, or if he fails to file the requested amended reports.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact me at (360) 586-4746, toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov

Sincerely,

/s _____
Alice Fiman
Compliance Officer

Endorsed by,

/s _____
Peter Lavalley
Executive Director