



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.pdca.wa.gov

July 25, 2018

Sent electronically to Walter Smith, legal counsel for Sarah Morken at
“walter@smithdietrich.com”

Subject: Sarah Morken Complaint Return Letter, PDC Case 34581

Mr. Smith:

Enclosed is a copy of a letter sent to Glen Morgan concerning a complaint he filed with the Public Disclosure Commission (PDC) on April 11, 2018, against your client, Sarah Morken, a first-time candidate seeking election to the office of Tacoma City Council member in 2017.

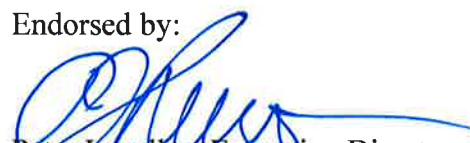
As noted in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter. However, pursuant to WAC 390-37-060, this letter serves as a warning letter concerning Ms. Morken’s failure to timely electronically file reports of contributions and expenditures. PDC staff expects that Ms. Morken will electronically file timely and accurate reports of contribution and expenditure activities in future years in accordance with PDC laws and rules.

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@pdcc.wa.gov.

Sincerely,


Kurt Young
PDC Compliance Officer

Endorsed by:


Peter Lavalice, Executive Director



Public Disclosure Commission
Shining Light on Washington Politics Since 1972



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

July 25, 2018

Sent electronically to Glen Morgan "glenmorgan89@gmail.com"

Subject: Sarah Morken Complaint Return Letter, PDC Case 34581

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on April 11, 2018. The complaint alleged that Sarah Morken, a candidate seeking election to the office of Tacoma City Council in 2017, violated RCW 42.17A or WAC 390 as detailed below.

PDC staff reviewed the allegations listed in the complaint in light of PDC laws and rules in order to determine whether a formal investigation or enforcement action is warranted. Staff reviewed the Candidate Registration (C-1 report), Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), filed by the Sarah Morken Campaign, and the June 5, 2018 response letter from Walter Smith, an attorney with Smith & Dietrich Law Offices, on behalf of his client Sarah Morken. Based on staff's review, we found the following:

- On May 2, 2017, Sarah Morken filed a Candidate Registration (C-1 report) declaring her candidacy for Tacoma City Council member, Position #6 in 2017, selecting the Full Reporting Option and listing Mark Perry as the Campaign Manager. Ms. Morken was a first-time candidate seeking elective office in 2017.
- On July 10, 2017, the Sarah Morken Campaign (Campaign) timely filed the 21-day Pre-Primary Election C-4 report manually on paper covering the period June 1 through July 10, 2017, and disclosing \$4,636 in monetary contributions received, \$147 for in-kind contributions received, and \$2,976 in expenditures made.
- On September 7, and 8, 2017, the Campaign electronically filed C-3 and C-4 reports for the 2017 election cycle. Ms. Morken was defeated in the 2017 primary election.

Failure to file timely and accurate C-3 and C-4 reports (RCW 42.17A.235, and .240)

The complaint alleged that the Campaign failed to timely and accurately file C-3 and C-4 reports.

Mr. Smith stated that his client admitted having filed amended reports of contribution and expenditure activities after the applicable deadline by the Campaign to submit a “complete” and accurate report. He stated the allegations that the Campaign failed to timely file reports, concerned either amended C-3 or C-4 report filed by the Campaign, or electronic versions of paper filed reports that had been initially timely filed.

For example, Mr. Smith stated that Ms. Morken timely filed the 21-Day Pre-Primary C-4 report on July 10, 2017, manually on paper, and on September 8, 2017, she re-filed an electronic version of the same C-4 report (Report No. 100785639), that included some minor corrections. In addition, he stated that the additional reports that were alleged to have been filed late (#2 - #5, and #7 - #25 in the complaint spreadsheet), included electronically filed C-3 and C-4 reports, that had been timely filed by the Campaign when submitted on paper.

Mr. Smith stated that until Ms. Morken was made aware of the electronic filing requirements, she was under the impression that the paper filed report were sufficient to comply with PDC laws, rules and reporting requirements. He stated the Campaign began electronically filing their reports as soon as it “came to their attention that they needed to file electronically.”

Failure to report Last Minute Contribution reports. (RCW 42.17A.265)

The complaint alleged that the Campaign failed to timely disclose last minute contributions (LMC) received of more than \$1,000 prior to an election. For the 2017 primary election, the special reporting period for LMC reports was eight days prior to the August 1, 2017 primary election, and covered the period July 24 through 31, 2017.

Mr. Smith stated in the response that the Campaign did not receive any last-minute contributions of \$1,000 or more during the special reporting period prior to the 2017 primary election. Staff reviewed the C-3 reports filed by the Campaign, both on paper and electronically filed, but did not find the Campaign received a contribution of \$1,000 or more during the covered by the LMC reports, so no report was required to be filed.

Failure to timely electronically file C-3 and C-4 reports (RCW 42.17A.245)

The electronic filing requirements in RCW 42.17A.245 requires candidates expending or expecting to expend \$5,000 in the current election to comply with the law and file the C-3 and C-4 reports using the PDC Online Reporting of Campaign Activity (ORCA) filing software or similar campaign finance filing software. In addition, WAC 390-19-030 provides reporting thresholds or benchmarks to determine quarterly whether or not a filer has made expenditures that would trigger the electronic filing requirements.

Mr. Smith stated that Ms. Morken timely filed C-3 and C-4 reports manually on paper, prior to becoming aware of the requirement to file the campaign finance reports electronically using the Online Reporting of Campaign Activities (ORCA) software provided by the PDC. He stated that Ms. Morken admitted that her Campaign electronically filed the C-3 and C-4 reports on September 7 and 8, 2017, after the August 1, 2017 primary election had been held. However, he noted that the Campaign did not meet the reporting thresholds or benchmarks listed in the PDC rule, which required the Campaign to have made \$2,500 in total expenditures by June 30, 2017.

Mr. Smith noted the next threshold or benchmark identified in the PDC rule was September 30, 2017, and that the Campaign had electronically filed its C-3 and C-4 reports by that date.

Remaining Allegations:

The remaining allegations listed in your complaint were based “on information and belief.” For your information, since you failed to provide any evidence to support or substantiate those allegations, PDC staff did not review them. Those allegations included the following: (1) Failure to disclose Campaign Officers on C-1 report; (2) Monetary Contributions were deposited into Campaign bank account by person other than Treasurer or Deputy Treasurer; (3) Failure to Preserve records for Public inspection of Campaign books; (4) Failure to file reports of Independent Expenditures; (5) Failure to include sponsor ID on political advertising; and (6) Campaign expenditures were made by an individual not listed on the C-1 report.

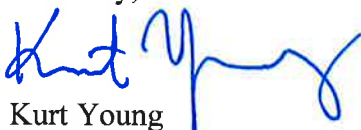
While the campaign finance reports were electronically filed after the August 1, 2017, primary election had been held, it does not appear that Ms. Morken exceeded the expenditure thresholds or benchmarks listed in WAC 390-19-030 to trigger the electronic filing requirements. In addition, as noted earlier in this letter Ms. Morken was a first-time candidate for public office in 2017.

Pursuant to WAC 390-37-060, Sarah Morken will receive a formal written warning concerning her failure to timely file reports of contribution and expenditure activities electronically using the PDC ORCA filing software or using a third-party vendor kit. The formal written warning will include staff’s expectation that Ms. Morken timely file complete and accurate reports of contributions and expenditures in future years in accordance with PDC laws and rules, including electronically. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

PDC staff found no evidence of an actual material violation that would require conducting a more formal investigation into your complaints or pursuing enforcement action in this instance. Therefore, PDC is returning your complaints filed against Sarah Morken without taking any action.

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,



Kurt Young
PDC Compliance Officer

Endorsed by:



Peter Lavalley, Executive Director

cc: Walter Smith



