

## **File a Formal Complaint - Glen Morgan**

[Glenmorgan89](#) reported (Sun, 3 Dec, 2017 at 10:21 PM) via

Portal Meta

To Whom it May Concern --

It has come to my attention that the Washington State Democratic Central Committee, their treasurer, their officers, and their staffers have habitually and willfully committed frequent and multiple violations of **RCW 42.17A** via both their exempt and non-exempt accounts. Additionally, I have reason to believe that other violations of this chapter have occurred beyond what I have identified below.

### **1) Failure to file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)**

State law requires that candidates and committees file frequent, accurate reports of contributions, expenditures, in-kind contributions, and debt. Unfortunately, the Washington State Democratic Central Committee has failed on numerous occasions to do this. (See **Exhibits A - "Illegally late reported C3 and C4 reports"**)

*Note that the Committee has collectively filed 196 reports (containing \$5,952,798.53 worth of activity) 30,851 days late. Please note that my allegations of incorrect reporting on form C3 and form C4 extend beyond the reports limited in this spreadsheet. See below.*

### **2) Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)**

State law requires that the name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or

other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days be reported on form C4. Per **WAC 390-05-295**, this includes any oral or written order placed, debt or obligation to purchase goods or services or anything of value, or any offer to purchase advertising space, broadcast time or other advertising related product or service.

On information and belief, I believe the Washington State Democratic Central committee has failed to report numerous debts as required by law. These unreported debts include, but are not limited to: staff salaries, certain consulting expenditures, political advertising expenditures, contracts, facility rentals, and other vendors.

**3) Failure to properly break down, describe expenses.  
(Violation of RCW 42.17A.235, see WAC 390-16-205, WAC 390-16-037)**

State law requires that expenditures made on behalf of a candidate or political committee by any person, agency, firm, organization, etc. employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or committee's efforts shall be deemed expenditures by the candidate or committee. In accordance with **WAC 390-16-037** and **WAC 390-16-205**, such expenditures shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly. Additionally, in accordance with **WAC 390-16-037**, the exact purpose of the expenditure, the quantity of items printed, and the individual value of broadcast ads distributed on various media outlets must be disclosed on form C4.

Furthermore, a political committee that makes in-kind contributions (which includes staff time) to a candidate or political committee totaling more than \$50 in the aggregate during a

reporting period must identify the recipient and the amount of the contribution as part of its C-4 report covering that period. **WAC 390-16-207(6)**.

Furthermore, state law requires that political committees identify any candidate(s) or ballot proposition(s) that are supported or opposed by their expenditures (which includes staff time) on form C4. **WAC 390-16-037**.

Unfortunately, the committee failed in numerous instances to abide by these above requirements. Below are a few examples of these failures.

In some instances, (such as the in-kind contribution that was disclosed as having been given to Roger Flygare on 10/23/2017) I believe the in-kind contributions were reported late during the wrong reporting period. In other instances, the in-kind contribution given was not reported at all. For example, during open inspection period, I noticed the Committee gave an in-kind contribution of \$1087.10 to Zita for Port on July 7, 2017. This was never reported on their C4 for the relevant time period. See attached C4 addendum omitting the Zita contribution.

In yet other instances, the committee name of the group receiving the in-kind contribution was listed, but insufficient information was given to actually see who the contribution went to. For instance, they listed an in-kind contribution of ~\$4000 going to the group "Yes On Prop 1" on report # 100793887. There are numerous committees that have gone by this name and it is impossible for a member of the public to distinguish which particular group this went to.

I also have reason to believe that the State Democratic Party has engaged in purposefully vague reporting of certain expenditures -- with the intention of hiding the true nature of the expenditure from

the public. These expenditures are deceptively described as “research”, amongst other violations.

#### **4) Failure to timely update C1/C1-pc. (Violation of RCW 42.17A.205(4))**

State law requires that candidates/committees update their C-1/C1-pc within 10 days of any material change.

Clearly the Committee has failed to do this for many years. See attached C1-pcs. Most recently, they failed to do this within 10 days of Tina Podlodowski’s election as chair on January 28, 2017. See attached press release. These updated forms are severely late.

**The C1-pc for their exempt account** was most recently filed on March 17, 2014. The form lists Jaxon Ravens as the chair, Valerie Brady Rongey as the vice chair, and Rob Dolin as the Secretary.

**The C1-pc for their non-exempt account** was filed on September 15, 2010. The form lists Dwight Pelz as chair, Sharon Smith as vice chair, and Luis Moscoso as secretary.

#### **5) Failure to list committee officers. (Violation of RCW 42.17A.205 (2)(c), see WAC 390-05-245)**

The Committee failed to list all current committee officers on form C1-pc, which is required by **RCW 42.17A.205(2)(c)**.

The officers listed on both of the C1-pc forms filed by the Committee do not match the current de-facto officers. Despite this, the current de-facto officers have illegally incurred numerous expenditures on the committee's behalf.

The committee is required to list all individuals who, in conjunction with others, likely made, directed, or authorized expenditures, strategic or policy decisions on behalf of the committee.

**WAC 390-05-245** defines committee officer as: "...any person designated by the committee as an officer on the C-1 or C-1pc registration statement and any **person** who alone or in conjunction with other persons makes, directs, or authorizes contribution, expenditure, strategic or policy decisions on behalf of the committee" .

Please note that **RCW 42.17A.005 (35)** defines "person" as: "...an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized."

**6) Illegal unauthorized expenditure of funds by an individual not listed as an officer on form C-1/C1-pc. (Violation of RCW 42.17A.425)**

State law requires that no expenditures may be made or incurred by any candidate or political committee unless authorized by the

candidate or the person or persons named on the candidate's or committee's registration form.

Clearly, the Committee has failed to follow this requirement. The officers listed on both of the C1-pc forms filed by the Committee do not match the current de-facto officers. Despite this, the current de-facto officers have illegally incurred numerous expenditures on the committee's behalf.

**7) State law requires that the committee treasurer preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred. (Violation of RCW 42.17A.235 (6)).**

On information and belief, the state party has failed to preserve its books of account, bills, receipts, and all other financial records of the political committee for not less than five calendar years following the year during which the transaction occurred. This is a violation of state law.

**8) Failure to include sponsor ID. (Violation of RCW 42.17A.320)**

State law requires that all political advertisement/independent expenditures contain sponsor identification, which includes the sponsor's name and address. Mediums defined as political advertisement that are required to contain sponsor ID include Facebook pages and advertisements per **WAC 390-05-290**.

The Washington State Democratic Central Committee has failed to include sponsor ID on their Facebook page, among other forms of political advertising.

**9) Illegal depositing of campaign funds into bank account by person other than the treasurer or deputy treasurer. (Violation of RCW 42.17A.220 (1))**

On information and belief, someone other than Habib Habib (current named treasurer) has deposited campaign funds into the committee bank account, in violation of state law. This is a violation of state law.

**10) Illegal personal use of campaign funds. (Violation of RCW 42.17A.445, see WAC 390-16-238)**

On information and belief, I believe that the Committee illegally reimbursed certain individuals for mileage without keeping a corresponding documented log of gasoline used by a vehicle in relation to campaign purposes, as required per **WAC 390-16-238 (3)(a)**.

These illegal uses of Committee funds include, but are not limited to, the following expenditures:

In conclusion, the PDC should investigate the possibility that the Washington State Democratic Central Committee committed the above violations maliciously, which would be a class C felony per **RCW 42.17A.750 (2)(c)**. If the PDC determines that is the case, they should refer the case to the Attorney General's office for criminal prosecution immediately.

Please don't hesitate to contact me if you need any additional information.

Please note, as requested by PDC staff, I have provided the spreadsheet attachment in both Excel and PDF formats for staff convenience.

Best Regards,

Glen Morgan