



**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.pdcca.wa.gov

March 13, 2020

Sent electronically to treasurer@21dems.org and xslm1231@gmail.com

Subject: Complaints filed by Glen Morgan, PDC Case 26543

Dear Sharon Holt:

Enclosed is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed October 12, 2017 with the Public Disclosure Commission (PDC) alleging the 21st Legislative District Democrats violated RCW 42.17A.235 and .240 for failure to timely and accurately report contributions, expenditures, and debt and failure to provide proper expenditure descriptions, and RCW 42.17A.220 for accepting anonymous contributions in excess of the allowable limit without forfeiting the excess amount to the State of Washington.

As noted in the letter to 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)(d), this letter serves as a formal written warning concerning your failure to comply with the filing requirements noted in the enclosed letter to Morgan. This formal written warning comes with staff's expectation you to file timely and complete reports in future years in accordance with PDC laws and rules. This includes reporting sub vendor information and debt under WAC 390-16-042 and adherence to anonymous contributions limits 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.

If you have questions, you may contact Alice Fiman 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 Lavallee
Executive Director



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March 13, 2020

Sent Electronically to Glen Morgan at “glen@wethegoverned.com”

Subject: 21st Legislative District Democratic Central Committee, PDC Case 26543

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed October 12, 2017.

Your complaint alleged the 21st Legislative District Democratic Central Committee (Committee) may have violated: (1) RCW 42.17A.235 and .240 for failure to accurately and timely file Monetary Contributions (C-3) reports and Summary Full Campaign Contribution and Expenditure (C-4) reports; (2) RCW 42.17A.240 for failure to properly report expenditures and debts on C-4 reports, including the failure to provide proper expenditure descriptions; and (3) RCW 42.17A.220 for accepting anonymous contributions in excess of the allowable limit without forfeiting the excess amount to the State of Washington.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the C-3 and C-4 reports filed by the Committee, and the response Simone Gomes, former Committee Treasurer, submitted to the PDC and the Washington State Attorney General’s Office (AGO), to determine whether the record supports a finding of one or more violations. You stated the allegations in allegation (5) were based “on information and belief” but you failed to provide any evidence to substantiate the allegations. Therefore, staff did not review allegation (5).

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

- The 21st Legislative District Democratic Central Committee (Committee) is a Bona Fide Political Party Committee for the 21st Legislative District, located in Lynnwood, Snohomish County.

- The Committee maintains two political committees, one exempt (Operations) and one non-exempt (Victory Fund).
- The Committee's most recent C1-pcs were filed January 5, 2020 with the Committee choosing the Full Reporting option and listing Sharon Holt as campaign manager and David Chan as treasurer on both.

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

- The complaint alleged the Committee failed to timely file C-3 and C-4 reports in 2015, 2016 and 2017.
- The Committee filed 17 C-3 and C-4 reports in 2015 but did not list any activity.
- In her response Gomes stated: "Generally, the 21st LD elects the Mini reporting option, which does not require filing of C3 and C4 reports. In addition, 5 months in 2016 the 21st Treasurer was absent due to extended serious illness, during an unusually busy time. In 2017, the C1pc 'Mini' reporting option was omitted unintentionally (the new Treasurer was unaware that Mini Option was not the default annually) and was later amended."
- In response to the complaint, the Committee worked with the PDC to retrieve its 2016 data, lost due to the illness, as noted above. This process was complete in January 2020.
- The Committee filed under mini reporting for 2017 and 2018 and full reporting for 2019. The Committee filed timely in 2019.

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

- The complaint alleged that the Committee failed to disclose debts and obligations on C-4 reports and properly provide detailed breakdown descriptions of expenditures. You attached a spreadsheet of those expenditures.
- In the response, Gomes stated that "we should have recorded the amount we intended to pay as a debt in March C4, and the expenditure should have been recorded in April, the following month. However, we had already filed the March Report on the 10th."
- Staff expects the 21st Legislative District Democrats to timely file all future required reports and disclose debts and obligations in future years.

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

- The complaint alleged that the Committee failed to properly provide detailed descriptions of expenditures. You attached a spreadsheet of those expenditures.
- Expenditures for meeting materials do not require a quantity breakdown.
- The Committee made good faith efforts to comply with the reporting requirements of RCW 42.17A.240 concerning expenditures undertaken by the campaign on their C-4 reports. The public was not deprived of critical information as the dates, amounts, and purposes of the expenditures were disclosed, and requiring further amendments to disclose the subvendors would not have a significant or material impact on the public.

Allegation # 4: Collection of more than \$300 in anonymous contributions.

- On November 21, 2017, the Committee filed an amended C-3, listing \$505 in contributions in March 2016 and submitted a check for \$1,399 to the Washington State Treasurer for “forfeit of excess contributions.”
- As noted above, the Committee worked with the PDC to retrieve its 2016 data, lost due to the illness. When this process was complete in January 2020, the Committee had additional anonymous contributions listed. On March 5, 2020, the Committee submitted a check for \$1,375.37 to the Washington State Treasurer for “forfeit of excess contributions.”

Based on these findings, and the Committee’s 2016 extenuating circumstances as noted above, staff has determined that in this instance, the failure to timely and accurately file reports of contributions and expenditures and disclose debts and obligations and accept over-limit anonymous contributions does not amount to an actual violation warranting further investigation.

However, pursuant to WAC 390-37-060(1)(d), the 21st Legislative District Democratic Central Committee will receive a formal written warning concerning the Committee’s failure to comply with filing requirements as noted in this letter.

The formal written warning will include staff’s expectation that the 21st Legislative District Democratic Central Committee timely file all future required reports of contributions and expenditures and disclose debts and obligations and adhere to anonymous contributions limits 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.

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 Alice Fiman toll-free at 1-877-601-2828, or by e-mail fdc@fdc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Peter Lavalley
Executive Director

/s _____