

Complaint Description

File a Formal Complaint - Glen Morgan

[Glen Morgan](#) (Thu, 23 Aug at 12:59 AM)

To Whom it May Concern –

It has come to my attention that Marcus Riccelli, an incumbent legislator from the 3rd Legislative District has continued to commit violations of **RCW 42.17A**. This recent violation occurs despite the current ongoing investigation of Riccelli's historic campaign finance violations currently under investigation by the Public Disclosure Commission (see **PDC Investigation #25124** – filed on September 9, 2017)

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, Marcus Riccelli has failed on numerous occasions to do this in the past, and this behavior continues at this time.

Specifically, Mr. Riccelli is required to report all in-kind contributions made to his political campaign. (See **WAC 390-16-2017**).

However, it appears that Riccelli is failing to report in-kind contributions from Pacifica Law Group on his behalf as reported by the Harry Truman Fund (see PDC Report#100849187). According to this report, the Pacifica Law Group reported at least \$370.50 of "(inkind payment to Marcus Riccelli and Timm Ormsby campaigns) legal advice June" dated 7/19/18 and another \$342.00 identified similarly as in-kind contributions to the Marcus Riccelli campaign.

Neither of these in-kind contributions were reported by the Riccelli campaign.

There is no excuse for this campaign to not accurately report these in-kind contributions from this vendor. Riccelli has paid Pacifica Law Group in the past (see **PDC Report #100845726** – last item – and also **PDC Report #100802590** – first item listed). In these two historic C4 reports, the Riccelli campaign has reported paying Pacifica Law Group \$1,810.50 and \$57.00. Additionally, Riccelli has reported in-kind contributions from Pacifica Law Group in the past (see **PDC Report#100845726** - \$114.00). These historic reports indicate that Riccelli and his treasurer have experience with this vendor, experience reporting expenditures to this vendor, and experience reporting in-kind contributions for this vendor.

Despite this experience, and even though Riccelli is currently under investigation by the PDC for historic campaign finance violations (See **PDC Investigation #25124**), he clearly believes that the campaign finance

laws are mere suggestions unlikely to be enforced for him or his campaign. Please note, I've attached the Riccelli's campaign's original response to the PDC written by the Pacifica Law Group last year dated October 19, 2017, which purports to deny that his campaign commits these violations, yet this recent violation committed by the Riccelli campaign should call into question the claims both the Riccelli campaign and his attorneys have made declaring his innocence.

It seems likely that other in-kind contributions from this same vendor may be found upon further investigation and interviewing of the involved parties. If you have any further questions about this complaint, the historic violations of this campaign, or this most recent violation of the state's campaign finance laws, feel free to contact me.

Best Regards,

Glen Morgan

What impact does the alleged violation(s) have on the public?

The public needs to know if our elected officials are in legal trouble and the fact that law firms are providing legal advice to those same elected officials. The public should know if law firms are providing legal advice as in-kind contributions, particularly when other PACs are reporting these in-kind contributions, but the very campaign for which this legal advice was provided is failing to disclose these facts

List of attached evidence or contact information where evidence may be found.

The complaint description provides adequate reference and relevant data for the complaint to be verified. Billing data and timesheets from the attorneys at the Pacifica Law Group would be evidence the PDC could request to clarify how much in-kind contributions have been concealed by this campaign.

List of potential witnesses with contact information to reach them.

The Truman Fund PAC treasurer and manager should be contacted
The Pacifica Law Group should be contacted to verify how much legal expenditures were actually provided as "in-kind" contributions. While exact legal advice is protected information, the bills law firms provide for their services are not - and the value of these services are not protected. The public has a right to know.

Complaint Certification:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.

Taki V. Flevaris
taki.flevaris@pacificallawgroup.com

October 19, 2017

VIA EMAILTony Perkins
Investigator, Campaign Finance Unit
Washington Attorney General's Office
TonyP@atg.wa.gov**Re: Marcus Riccelli Campaign - Response to Replacement Complaint**

Dear Mr. Perkins:

We represent Representative Marcus Riccelli and his campaign, Friends of Marcus Riccelli (collectively, the “Riccelli Campaign”). The Riccelli Campaign has reviewed the replacement complaint that Glen Morgan submitted on October 4, 2017. As explained below, Mr. Morgan’s allegations are based on unfounded and speculative assumptions rather than facts. The Riccelli Campaign did not commit any material violations of applicable reporting requirements. Instead, the campaign engaged in regular, timely, and comprehensive reporting, while admittedly committing some sporadic, honest mistakes along the way—which is to be expected for any active campaign.

Mr. Morgan’s complaint consists of references to four attached spreadsheets: (1) a list of contributions Mr. Morgan alleges were reported untimely (Exhibit A); (2) a list of expenditures Mr. Morgan alleges were reported untimely (Exhibit B); (3) a list of expenditures Mr. Morgan alleges should have been, but were not, reported as debts (Exhibit C); and (4) a list of expenditures Mr. Morgan alleges were not properly described (Exhibit D). We address each exhibit in turn.

Exhibit A: Contributions. The contributions listed in this spreadsheet were reported timely, save for only a handful that were slightly overdue because of an honest mistake that was quickly remedied. No material violations occurred.

The vast majority of the contributions (items 3-108) were reported timely on June 10, 2016, *see* Report No. 100701000, not on June 20 as Mr. Morgan alleges. The campaign filed an *amendment* on June 20, merely to add one contributor’s address, which had not been provided initially. *See* Report No. 100702805. These contributions were all timely reported.

For another set of listed contributions (items 1-2, 118-127), Mr. Morgan has identified the wrong reporting deadline. Because these contributions were made in non-election years, the Riccelli Campaign remained on a regular monthly reporting schedule, and the applicable deadline was met.

For a third, small set of listed contributions (items 128-38), the treasurer accidentally reported an incorrect deposit date of July 24, 2016 (a Sunday). Instead, the treasurer began preparing her report on the 24th, for deposits that were actually made on the 25th and then ultimately reported the very next day, on July 26, 2017. *See* Report No. 100711313. These contributions were thus reported timely, not one day late as Mr. Morgan has alleged.

Finally, a handful of listed contributions (items 109-117) accidentally went unreported in early October 2016, due to inadvertent oversight. Once this omission was discovered, the Riccelli Campaign quickly resolved it with a separate report filed on October 8, only five days after the deadline, and before the campaign's next report was due.

Exhibit B: Expenditures. The expenditures listed in this spreadsheet were reported timely, except for two that were reported late due to a computer crash—which the Public Disclosure Commission was notified about and resulted in a delay of only one day—and another single item that was delayed by one reporting cycle due to inadvertent oversight. Again, no material violations occurred.

Most of the listed expenditures (items 1-8, 12) were reported prior to the reporting dates that Mr. Morgan has alleged. *See* Report Nos. 100590166, 100576320. These expenditures subsequently appeared in amended reports that were filed on the dates Mr. Morgan has identified, but those were not the original reporting dates. *See* Report Nos. 100600040, 100582156. These expenditures were reported timely.

A few listed expenditures (items 9-11) were made in non-election years and disclosed in timely reports covering multiple previous months in which the campaign's activities did not exceed \$200. *See* RCW 42.17A.235(2)(c). Mr. Morgan has simply identified the wrong reporting deadline for these expenditures.

For another listed expenditure (item 14), Mr. Morgan has again identified the wrong reporting deadline, this time because the expenditure was made in a non-election year and the Riccelli Campaign thus remained on a regular monthly reporting schedule. *See* RCW 42.17A.235. The applicable deadline was met.

Two of the listed expenditures (items 15-16) were reported one day late due to a computer malfunction. In particular, the campaign's treasurer suffered a computer crash a few days before the reporting deadline. While obtaining a new computer and attempting to restore her files, the treasurer notified the Public Disclosure Commission of the issue and the likelihood of a short delay. Ultimately, the campaign's report was submitted one day late as a result.

Finally, one of the listed expenditures (item 13) was added via amendment due to inadvertent oversight. The expenditure was accidentally omitted from the initial report covering that period. Once the mistake was discovered, it was corrected the next month via amendment. This was an isolated incident.

Exhibit C: Debts. The items listed in this spreadsheet either did not qualify as debt, were reported timely as debt, or in a handful of instances, were not reported as debt due to unique, extenuating circumstances. No material violations occurred.

Most of the listed expenditures (items 1-6, 8-11, 13-16, 18-29, 31-35, 37-44, 46-48, 50) were paid at the same time they were ordered or shortly thereafter, and were thus properly reported as expenditures rather than debt. Mr. Morgan's allegations that these items should have been reported as debt appear to be based on faulty assumptions and sheer speculation.

A few of the listed expenditures (7, 12, 17) *were* previously reported as debt, notwithstanding the complaint's assumption to the contrary. *See* Report Nos. 100685899.

In one instance (item 49), Representative Riccelli purchased plane tickets numerous weeks in advance for personal travel in January of 2017, but was subsequently invited to and attended a political rally on the trip, as a campaign activity. It was only a couple weeks after the event that Representative Riccelli realized the plane tickets he purchased weeks before had become campaign expenditures. Representative Riccelli then informed his treasurer of the expense, which was included on the campaign's next report as a reimbursement.

In another instance (item 36), one quarter of a \$1000 rent payment should have been previously reported as debt, but was not, which was an inadvertent oversight. This payment covered office rent for the four months of July through October 2016, and was disclosed as an expenditure in a report covering activity from September 1 through October 17. *See* Report No. 100727772. Because each month's rent was \$250, it became reportable debt only after going unpaid for 30 days. *See* RCW 42.17A.240(8). Accordingly, the July rent should have been included as debt in a prior report, covering activity for the month of August, whereas the remainder of the rent payment was timely disclosed for the reporting period beginning in September.

Finally, three of the listed expenditures (items 30, 45, 51) involve reimbursements for phone and internet costs that Representative Riccelli incurred for campaign purposes. These small costs were lumped together on a few occasions, covering multiple months of activity. This was an honest mistake that Representative Riccelli made in obtaining reimbursement for a modest background expense. Going forward, he is committed to relaying this expense to his treasurer without accumulation or delay.

Exhibit D: Descriptions. The expenditures listed in this spreadsheet were meaningfully and sufficiently described in the Riccelli Campaign's reports, and contrary to Mr. Morgan's suggestion, the Riccelli Campaign had no dealings with any subvendors. For the listed

reimbursements to Representative Riccelli (items 2-9), the campaign admittedly did not identify each underlying seller that provided internet service, meals, and the like. The Riccelli Campaign would be happy to provide that information upon request, or to amend its reports to include that information. And to err on the side of disclosure, the campaign will include such information in all reports going forward.

In conclusion, Mr. Morgan's pending complaint is based in large part on incorrect assumptions and speculation. The Riccelli Campaign has engaged in regular, timely, and comprehensive reporting of contributions, expenditures, and debts. Notwithstanding some isolated and sporadic mistakes made along the way, which is to be expected for any active campaign, the Riccelli Campaign has not committed any material violations of applicable requirements. The campaign would be happy to address any remaining questions or concerns. On behalf of the Riccelli Campaign, we thank you again for the opportunity to address these issues.

Sincerely,

PACIFICA LAW GROUP LLP



Taki V. Flevaris