

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

September 14, 2020

Delivered electronically to Toussaint Myricks on behalf of One Washington Equality Campaign (OWEC) at "myricks@myrickslaw.com"

Subject: Complaint filed by Glen Morgan, PDC Case 53454

Dear Toussaint Myricks:

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

As noted in the letter to Mr. Morgan, the PDC has concluded its investigation and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter

Since OWEC disclosed the legal services provided by Foster Pepper LLC as in-kind contributions, staff found no evidence to support a violation of RCW 42.17A.255. In addition, staff found no evidence of an alleged failure by OWEC to disclose an in-kind contribution from SEIU Initiative Fund as asserted in the supplemental complaint also filed by Mr. Morgan. Both of these allegations are being dismissed in accordance with WAC 390-37-070.

However, pursuant to WAC 390-37-060(1)(d), this serves as a formal written warning concerning OWEC's failure to timely disclose legal services received as in-kind contributions. Staff expects that OWEC will timely file all required PDC reports of contributions and expenditures if the committee is involved in future campaigns which may require communication with persons providing services on a voluntary basis. 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 Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Endorsed by,
Electronically signed
Peter Lavallee
Executive Director



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September 14, 2020

Delivered electronically to Glen Morgan at "glen@wethegoverned.com"

Subject: Complaint regarding One Washington Equality Campaign, PDC Case 53454

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June 21, 2019. The complaint alleged that One Washington Equality Campaign (OWEC), a political committee registered in the 2019 election to support the passage of Referendum #88 (R-88) to restore affirmative action, may have violated: (1) RCW 42 17A.240 for failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing expenditures or in-kind contributions for legal services provided by Foster Pepper, LLC; and (2) RCW 42.17A.255 for failure to report independent expenditures for the same legal services. PDC staff also reviewed a supplemental complaint submitted on September 11, 2019 alleging that OWEC may have violated RCW 42.17A.240 by failing to disclose receipt of an in-kind contribution made by SEIU Initiative Fund.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response(s) provided by OWEC treasurer Andy Lo and OWEC Co-chair Jesse Wineberry; the applicable PDC reports filed by the Respondent; and queried the Respondent's data in the PDC contribution and expenditure database, to determine whether the record supports a finding of one or more violations.

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

- OWEC originally submitted a Committee Registration Statement (C-1pc report) on August 13, 2018 disclosing support of Initiative 1000 (I-1000) in the November 5, 2019 general election. Andy Lo was listed as the ministerial treasurer for OWEC and remained the treasurer until August 2019.
- On August 21, 2019, OWEC submitted an amended C-1pc indicating the hiring of Sean Cole as ministerial treasurer and stating that the committee would be supporting the passage of R-88 to restore affirmative action.
- The complaint alleged that OWEC had received the benefit of legal services from an unknown source and that those services should have been disclosed either as a direct expenditure by OWEC or as an in-kind contribution, if the services were provided pro bono.
- In his response, Mr. Lo stated that OWEC had no reportable expenditures for legal services. Mr. Lo confirmed that OWEC received legal services from Foster Pepper, LLC at no cost to the committee. He further stated that OWEC was not initially aware of the costs of the services or their exact nature which was why OWEC did not report them as in-kind contributions. In addition, Mr. Lo stated that the second allegation regarding

- OWEC's failure to report the legal services as an independent expenditure was inappropriate and that RCW 42.17A.255 was not applicable to this activity.
- After receipt of the complaint, OWEC requested invoices from Foster Pepper in order to submit C-4 reports disclosing in-kind contributions totaling \$228,641.57 in pro bono legal services provided to OWEC by Foster Pepper, as detailed below.

DATE SERVICE RECEIVED	AMOUNT OF SERVICE
August 31, 2018	\$6,019.09
September 28, 2018	\$74,155.14
October 12, 2018	\$10,593.59
December 17, 2018	\$180.57
February 27, 2019	\$11,797.41
March 29, 2019	\$28,560.04
April 19, 2019	\$38,702.09
May 29, 2019	\$57,134.68
June 28, 2019	\$1,498.96

- The supplemental complaint received on September 11, 2019, alleged that OWEC had received a \$5,634 in-kind contribution from SEIU Initiative Fund for additional legal services provided by Barnard Iglitzin & Lavitt LLP and paid for by SEIU.
- In his response, Mr. Wineberry stated that OWEC did not receive these services and stated that OWEC had received notice in September 2018 that SEIU would not be supporting them. Therefore, Mr. Wineberry asserted that OWEC had no filing obligation.
- PDC staff requested that SEIU Initiative Fund review and amend their reports as necessary.
- Both Mr. Lo and Mr. Wineberry stated that, prior to the initial complaint, they believed OWEC had established a good reputation regarding PDC reporting obligations by timely and accurately submitting required campaign reports. The officers of OWEC believed that the in-kind contribution of legal services provided by Foster Pepper were not disclosable by OWEC since they had no knowledge of the services until OWEC requested invoices detailing the services. OWEC stated that they are interested in full disclosure and believe that submitting reports disclosing the pro bono legal services provided by Foster Pepper helps meet that goal.

After a careful review of the alleged violations and relevant facts, PDC staff has concluded it investigation.

During the investigation, staff found the treasurers of OWEC, Mr. Lo and Ms. Cole, to be knowledgeable and responsive. As ministerial treasurers only, both had limited authority and had to rely on other committee officers for specific campaign activity details which may have resulted in reporting delays. Staff found that the content of I-1000 and the subsequent introduction of R-88 was difficult for some members of the general public to understand. Staff also found the formation of several other committees in support of R-88 during the 2019 election cycle may have contributed to further confusion.

R-88 was presented to voters on the November 5, 2019 general election ballot but failed to receive enough votes to restore affirmative action. Apart from the complaints filed by Mr. Morgan, PDC staff received no additional complaints against OWEC.

Based on our findings staff has determined that, in this instance, OWEC's failure to timely disclose pro bono legal services as in-kind contributions does not amount to a finding of a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, OWEC will receive a formal written warning concerning failure to timely disclose legal services received as in-kind contributions. The formal written warning will include staff's expectation that OWEC timely files all required PDC reports of contributions and expenditures if the committee is involved in future campaigns. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Since OWEC disclosed the legal services provided by Foster Pepper LLC as in-kind contributions, staff found no evidence to support a violation of RCW 42.17A.255. In addition, staff found no evidence of OWEC's failure to disclose an in-kind contribution from SEIU Initiative Fund as alleged in the supplemental complaint. Both of these allegations are dismissed in accordance with WAC 390-37-070.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,	Endorsed by,
Electronically signed	Electronically signed
Jennifer Hansen	Peter Lavallee
Compliance Officer	Executive Director

cc: Toussaint Myricks on behalf of One Washington Equality Campaign