Respondent Name

Democratic Association of Secretaries of State

Complainant Name

Glen Morgan

Complaint Description

Glen Morgan (Wed, 14 Oct 2020 at 11:34 AM)
To whom it may concern,

It has come to my attention, once again, that the Democratic Association of Secretaries of State PAC appears to have violated Washington State's campaign finance laws (**RCW 42.17A**). The details are as follows:

1. Attempt to conceal source of over $1,000,000 in secretive dark money contributions (Violation of RCW 42.17A.235, RCW 42.17A.240).

The organization that has sponsored and created this PAC has a history of violating and attempting to avoid compliance with Washington State's campaign finance laws and has been warned about these actions by the PDC in the past (See **PDC Enforcement Case #20797**). It appears this organization created this PAC on September 1, 2020 (according to their C1PC), but when they filed their first (and at this time only) C4 expenditure report (see attached, **PDC Tracking #101006604),** they instantly had $1,103,437.63 in cash on hand to use for political purposes to influence elections ins Washington State politics. However, this organization has never filed any documentation detailing the source of this massive volume of secretive dark money.

Concealing the source of campaign contributions is illegal in Washington State and has been illegal since the inception of our state's campaign finance laws. An out-of-state organization like this, which attempts to come into Washington State with over a million dollars from unknown sources is still required to identify the source of those funds.

As PDC staff is well aware, depending on the source of these concealed funds, this could open the PAC up to further significant campaign finance violations, which I will detail as follows:

2. Attempt to conceal funding by foreign nationals (Violation of RCW 42.17A.417)

Concealing the source of large sums of funding like this organization, which has a history of attempting to skirt the campaign finance laws of Washington State, could be an attempt to conceal illegal original sources of the funding of this Pac from foreign nationals.

3. Attempt to conceal earmarked contributions, failure to report (Violation of RCW 42.17A.270)

Another potential violation this attempt by this dark money PAC would be the fact that by their own actions they are only benefitting one candidate on the ballot in Washington State, Gael Tarleton, currently running as a candidate for the Washington State Secretary of State. Some of these funds may have been earmarked by Washington State special dark money interests or out-of-state dark money special interests who wish to conceal their earmarked funding to assist this campaign, but this fact has been concealed from the public by this PACs failure to comply with the law.

4. Failure to report independent expenditure. Failure to file C-6 report (Violation of RCW 42.17A.255)

According to this campaign's own very limited reporting during its recent incarnation, an expenditure of $83,650 was spent as an Independent Expenditure on 10/8/2020, in support of Gael Tarleton, yet no C-6 report appears to have been filed reporting this fact or the required details as outlined in **RCW 42.17A.260(3)(C), WAC 390-16-037**.

5. Failure to provide sufficient detail with the expenditures reported (Violation of RCW 42.17A.235, .240, and WAC 390-16-037)

In addition in the one C4 report filed with the PDC (see attached **PDC Tracking #101006604**), there was insufficient detail to know how many ads were produced, where they were produced, etc for the reported $83,000+ dollars spent last week. As **WAC 390-16-037** helpfully details, this well-funded PAC should be able to comply with such simple reporting requirements.

It appears there may be additional violations that have yet to be uncovered by this secretive out-of-state organization and the special interest, corporate dark money concealed by this illegal activity is particularly concerning. The Chairperson of this organization is an elected official in the State of California and their budget (presuming they are accurate with the over one million dollars reported to the PDC so far) is adequate to handle basic compliance and legal costs. These are not inexperienced actors in the world of dark money politics, and if the campaign finance laws are to mean anything more than just idealistic words from a 48 year old citizens initiative, then Mega dollar dark money, out-of-state PACs who want to radically impact Washington State's political scene should be required to comply with the same laws that volunteer micro citizens groups are forced to comply with already. It is not fair to the citizens and voters of Washington State to allow Mega PACs like this one to ignore our laws with impunity.

Please let me know if you need any additional information on this one.

Best Regards,

Glen Morgan

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

The public has a right to know where over a million dollars of secretive, out-of-state dark money cash comes from when an out-of-state dark money PAC is created and attempts to influence Washington State elections. Additionally, this PAC should be required to follow the same laws as the citizens who live here. This PAC should not be allowed to conceal who pulls the strings, makes the decisions, and funds their actions.

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

List of potential witnesses with contact information to reach them

The two people listed as the Treasurer and the Chairperson should be contacted at a minimum

Certification (Complainant)

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.

PUBLIC DISCLOSURE COMMISSION
711 CAPITOL WAY RM 206
PO BOX 40908
OLYMPIA WA 98504-0908
(360) 753-1111
TOLL FREE 1-877-601-2828

SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4 (3/97)

PDC OFFICE USE
101006604

10-13-2020

Candidate or Committee Name (Do not abbreviate. Include full name)
Democratic Assoc of Sec of State (WA)

Mailing Address: 777 S Figueroa St Suite 4050
City: Los Angeles, CA

Zip + 4: 90017
Office Sought (Candidates):
Election Date: 2020

Report Period Covered: From (last C-4) 09/01/20 To (end of period) 10/12/20
Final Report? Yes No X

***For PACs, Parties & Caucus Committees**: During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

*See next page Yes No

RECEIPTS

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)		$ $1,103,437.63
2. Cash received (From line 2, Schedule A)	$ $0.00	
3. In kind contributions received (From line 1, Schedule B)	$0.00	
4. Total cash and in kind contributions received this period (Line 2 plus 3)		$0.00
5. Loan principal repayments made (From line 2, Schedule L)	$0.00	
6. Corrections (From line 1 or 3, Schedule C) Show + or (-)	$0.00	
7. Net adjustments this period (Combine line 5 & 6) Show + or (-)		$0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)		$1,103,437.63
9. Total pledge payments due (From line 2, Schedule B)	$0.00	

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)		$0.00
11. Total cash expenditures (From line 4, Schedule A)	$85,650.00	
12. In kind expenditures (goods & services) (From line 1, Schedule B)	$0.00	
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)		$85,650.00
14. Loan principal repayments made (From line 2, Schedule L)	$0.00	
15. Corrections (From line 2 or 3, Schedule C) Show + or (-)	$0.00	
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-)		$0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)		$85,650.00

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	☐	☐	☐	☐
General election	☐	☐	☐	☐

Treasurer's Daytime Telephone No.: (213) 452-6565

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) [Line 18 should equal your bank account balance(s) plus your petty cash balance.]	$1,017,787.63
19. Liabilities: (Sum of loans and debts owed)	$0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19)	$1,017,787.63

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date	Treasurer's Signature	Date
		Nellie Gorbea	10/13/20

CASH RECEIPTS AND EXPENDITURE

SCHEDULE to C4 **A** (11/93)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

09/01/20 10/12/20

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits

2. TOTAL CASH RECEIPTS — Enter also on line 2 of C4 $ $0.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE DEFINITIONS ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)
I - Independent Expenditures
L - Literature, Brochures, Printing
B - Broadcast Advertising (Radio, TV)
N - Newspaper and Periodical Advertising
O - Other Advertising (yard signs, buttons, etc.)
V - Voter Signature Gathering
P - Postage, Mailing Permits
S - Surveys and Polls
F - Fundraising Event Expenses
T - Travel, Accommodations, Meals
M - Management/Consulting Services
W - Wages, Salaries, Benefits
G - General Operation and Overhead

3. EXPENDITURES

a) Expenditures of $50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
b) Itemize each expenditure of more than $50 by date paid, name and address of vendor, code/description, and amount.
c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of $50 or less	N/A	N/A	$0.00
09/04/20	Friends of Gael PO Box 9100 Seattle, WA 98109	C	Contribution	$2,000.00
10/08/20	SKDKnickerBocker 1150 18th St NW, Ste 800 Washington, DC 20036	I	Digital Ads. Independent Expenditure to Support Gael Tarleton	$83,650.00

Total from attached pages $ $0.00

4. TOTAL CASH EXPENDITURES — Enter also on line 11 of C4 $ $85,650.00

To whom it may concern,

It has come to my attention that a major violation of **RCW 42.17A.250** may have been committed by out of state political committee **"Democratic Association of Secretaries of State" located in Charleston, West Virginia** during the 2016 election campaign season.

This out-of-state political committee clearly meets the criteria and requirements defined in **RCW 42.17A.250** and **WAC 390-16-049** and **WAC 390-16-050**. As clearly explained in **WAC 390-16-049:**

"(1) RCW 42.17A.250 governs campaign reporting in Washington state by committees located outside of Washington. The statute directs that an out-of-state political committee organized for the purpose of supporting or opposing candidates or ballot propositions in another state (and that is not otherwise required to report as an in-state committee) reports the information listed in **RCW** 42.17A.250 on a C5 form (WAC 390-16-050). The committee begins reporting on a C5 form when it makes an expenditure supporting or opposing a Washington state candidate or political committee.
(2) To file as an out-of-state political committee, all the criteria in (a) and (b) of this subsection must be satisfied:
(a) **Out-of-state.** First, the committee must be located out-of-state. It must be maintaining its office or headquarters in another U.S. state or the District of Columbia, and has no office, street address or corporate registered agent in Washington state. If there is no office or headquarters in another state or the District of Columbia, and no corporate registered agent in Washington state, the political committee is deemed out-of-state if its treasurer resides in another U.S. state or the District of Columbia.
(b) **Organizational purpose and campaign activities.** Second, the committee must also be currently organized primarily for engaging in campaign activities in another state. Therefore, to qualify as a current out-of-state committee, the committee must also:
(i) Be currently registered and actively filing campaign disclosure reports in one or more other states and has been so filing for the preceding two years; and
(ii) Have organizational documents showing it was originally formed and is currently organized for the purpose of making expenditures in another state or soliciting contributions for use in another state's election campaigns; and
(iii) Have spent less than twenty percent of its aggregate expenditures for all political campaign activity nationwide at any point in any calendar year to support and/or oppose Washington candidates for state, local and judicial office, Washington ballot measures and/or Washington political committees.
(3) A committee that does not satisfy the criteria in subsection (2) of this section shall file as an in-state committee under chapter 42.17A RCW, including RCW 42.17A.205 through 42.17A.240.
(4) Out-of-state political committees reporting under RCW 42.17A.250 are also subject to reporting pursuant to RCW 42.17A.260 (political advertising independent expenditures) and RCW 42.17A.305 through 42.17A.315 (electioneering communications)."

Specific Violations:

On September 30, 2016, the illegally unregistered out of state political committee **"Democratic Association of Secretaries of State"** located in Charleston, West Virginia gave **$2,000** to Tina Podlodowski during her unsuccessful 2016 campaign for Washington State Secretary of State (**PDC doc Ref #100723677**). As required under **RCW 42.17A.250**, this out of state political committee could have followed the law by submitting a C-5 form to the Public Disclosure Commission (**WAC 390-16-050**). However, this committee chose to violate the law instead and decided to not register with the PDC.

There have been frequent complaints by many political observers in recent years about dark money in politics. Out-of-state unregistered political committees like the **"Democratic Association of Secretaries of State"** are perfect examples of how shady out of state political organizations are able to influence Washington State elections while simultaneously violating Washington State law.

The PDC should investigate the possibility that this unregistered out of state political 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 this case to the Attorney General's office for criminal prosecution immediately.

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

Best Regards,

Glen Morgan

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

March 15, 2019

Democratic Association of Secretary of States
Attn: Alex Padilla, President
PO Box 34375
1400 L St NW Lobby 2
Washington, DC 20005

Subject: Democratic Association of Secretary of States Complaint Return Letter with Reminder, PDC Case 20797

Secretary Padilla:

Below is a copy of a letter sent electronically to Glen Morgan concerning the complaint he filed with the Public Disclosure Commission (PDC) against the Democratic Association of Secretary of States. As noted below in the letter sent to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in these matters.

However, PDC staff is reminding the Democratic Association of Secretary of States about the importance of campaign finance reporting and to timely comply with the C-5 reporting requirements in the future, should additional contributions be made to candidates or political committees in Washington State using political committee funds. I have attached a copy of the C-5 report for your reference.

Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). 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,

s/_____
Kurt Young, Compliance Officer

Endorsed by:

s/_____
BG Sandahl, Deputy Director for
Peter Lavallee, Executive Director

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

March 15, 2019

Sent electronically to Glen Morgan

Subject: Complaint filed against Democratic Association of Secretary of States, PDC Case 20797

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June l3, 2017. Your complaint alleged that the Democratic Association of Secretary of States (DASS) made a $2,000 contribution to Tina Podlodowki, a candidate for Secretary of State in Washington State in 2016, but that DASS failed to file an Out-of-State Committee Report (C-5 report) as required in accordance with RCW 42.17A.250.

PDC staff reviewed the allegations listed in the complaint, the statues, rules and reporting requirements, the PDC database for contribution information for DASS, and Google searches for information related to DASS. Based on staff's review, we found the following:

- On October 3, 2016, the 2016 Tina Podlodowki for Secretary of State -Vote for Tina Campaign (Campaign) timely filed a Monetary Contributions report (C-3 report) with the PDC disclosing that the Campaign received a $2,000 monetary contribution from DASS on September 30, 2016. The Campaign timely deposited the funds into the bank account the same day, and properly attributed the contribution to the general election.

- The address listed on the C-3 report filed by the Campaign for DASS in 2016 based on the address listed on the contribution check was Charleston, West Virginia. Despite repeated attempts by PDC staff, no response was received from DASS at the email address that staff found for the Respondent.

- Staff's review found that the current mailing address for DASS is PO Box 34375, 1400 L St NW Lobby 2, Washington, DC 20005. According to information listed on its website "DASS is the leading national organization to support the election of Democratic Secretaries of States. We are a 527 Political Committee Organized to help democratic Secretaries of State."

- The Tina Podlodowski Campaign disclosed receiving $923,443 in total monetary and in-kind contributions in 2016. The $2,000 contribution received from DASS by Ms. Podlodowski represented less than .2 percent of total contributions received.

Based on these findings staff has determined that, in this instance, as a 527 political organization is does not appear that DASS would meet the statutory requirements as an out-of-state political committee, and thus was not required to have filed the C-5 report for the contribution. In addition, DASS's one contribution made to a candidate in Washington State does not warrant further investigation or additional staff resources to be expended.

However, PDC staff is reminding the Democratic Association of Secretary of States about the importance of campaign finance reporting and to timely comply with the C-5 reporting requirements in the future, should additional contributions be made using political committee funds.

Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). 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,

s/_____
Kurt Young, Compliance Officer

Endorsed by:

s/_____
BG Sandahl, Deputy Director for
Peter Lavallee, Executive Director

cc: Alex Padilla, President, Democratic Association of Secretary of States