Friends of Jimmy Matta

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August 25, 2021

Tabitha Townsend Compliance Coordinator Washington Public Disclosure Commission

Re: PDC - Matta, Jimmy (2): Violations of RCW 42.17A.235 & .240 for failing to provide the required expenditure descriptions for political advertisements purchased by the campaign, in the reporting of a candidate loan that appears to have been a duplicate, and the carry forward balance from the 2017 Campaign, and Violations of RCW 42.17.445 by making an expenditure for a charitable purpose or that is not directly related to his campaign

Dear Tabitha Townsend:

I am writing in response to the complaint filed by Glen Morgan on August 10, 2021. Thank you for the opportunity to respond.

Personal Funds for Reward issue

The first allegation Mr. Morgan makes is that Matta has offered campaign funds to reward anyone that can find more information on the defacing of his campaign signs. Matta did in fact call to reward anyone with more information in the amount of \$2,000.00, but never in any of those statements was it claimed to come out of the campaign funds. If it *were* out of campaign funds, it is also not required to report it as debt on the reports, as no actual reward payment was ever made on behalf of the campaign.

Debt/Carry forward money issue

As to the small discrepancy in the ending 2017 campaign balance and beginning 2021 balance, we requested bank statements from BECU, and we found 2 transactions which occurred between the two campaigns that were not reported: a check to the 34th District Democrats on 1/22/2018, and a payment to Overnight Printing for an invoice for campaign materials on 4/5/2018. As Morgan claimed, the funds were *not* used for Matta's personal expenditures. Between the 2017 and 2021 campaigns, we transitioned campaign management and these two transactions were inadvertently missed. We will be contacting the PDC immediately to inquire as to how to resolve this matter and properly report the two transactions.

Encanto Arts issue

Encanto Arts: this was an expense made for the purpose of promoting the campaign in the community. The campaign used these funds to purchase ten tickets to the 2 Tenors, which were provided to campaign staff/volunteers for the purpose of promoting the campaign. By purchasing these tickets, Matta was also provided an opportunity to speak at the event and about our campaign. While the funds for this expense went to supporting student access to the arts, it was made specifically as a means to for our campaign to perform voter/community outreach.

Rental Car issue

Mr. Morgan claims Matta used campaign funds to rent a car and see his family; however, the car rental was used to travel to and from eastern Washington for video shots that were made into Matta's campaign launch video. The car was suitable for Matta and his campaign videographer and equipment. If any further evidence is needed, I would be more than willing to provide photos, videos, and any other supplemental information.

Expenditure Details issue

These expenses have been updated in Orca to be representative of quantities.

- 19,228.27: Yard signs and H-stakes (QTY 500), Bumper Stickers (QTY 900), Banner 36x96 (QTY 1), Posters 36x48 (QTY 2), Fundraiser programs 8.5x11 (QTY 250), Donation remittance envelopes (QTY 200), Mailer 8.5 x5.5 (QTY 53,000), Mailing services (QTY 31,210)
- 10,000: 2nd mailing 8.5 x 5.5 (QTY 90,000), T-shirts (QTY 200)

Candidate Loan to Campaign issue

Matta loaned the campaign a total of \$12,400, \$6,200 of which was for the primary and \$6,200 of which was for the general election. This would explain the "duplicate" and why those funds at the time were not available to the campaign. After further reviewing the PDC guidelines, it came to our attention that \$400 of those funds would need to be converted as a contribution made by the candidate, as the maximum loan limit is \$6000 for the primary and \$6000 for the general. Those adjustments have been made.