



**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.pdca.wa.gov

March 28, 2022

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

Subject: Complaint regarding Whatcom County Democratic Central Committee - Exempt, PDC Case 102127

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on December 29, 2021. The complaint alleged that Whatcom County Democratic Central Committee, a county bona fide political party committee, may have violated RCW 42.17A.405 for accepting an over-limit contribution in excess of \$5,500 from one source during calendar year 2021.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by Treasurer Cheyanna Strickland on behalf of the Respondent, and the applicable PDC reports filed by the Respondent. Staff also queried the Respondent's data in the PDC contribution and expenditure database.

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

- Whatcom County Democratic Central Committee (WCDCC) was a county bona fide political party committee registered under the "Full Reporting" option during calendar year 2021.
- The complaint alleged that WCDCC received a monetary contribution from Lummi Indian Business Council on October 18, 2021, that was in excess of the \$5,500 allowed to be accepted into the WCDCC – Non-Exempt account.
- RCW 42.17A.405 describes contribution limits on both the person making and receiving a contribution and prohibits over-limit contributions.
- In addition to a campaign account utilized for direct candidate support, bona fide political party organizations are allowed to create a separate account that can be used for "exempt" activities which typically include rent, utilities, party building and get-out-the-vote efforts.
- In her response, Treasurer Strickland stated that \$10,000 contribution received on October 18, 2021, from Lummi Indian Business Council was deposited into the WCDCC - Exempt account.
- That deposit was timely reported, but the committee incorrectly reported the . On October 23, 2021, WCDCC – Non-Exempt timely submitted a C-3 report disclosing a \$10,000 monetary contribution received on October 18, 2021 and deposited on October 21, 2021.
- During staff's investigation, it was determined that WCDCC did in fact have two separate accounts, one for Non-Exempt activities and a second for Exempt, however, the Exempt

account was not setup correctly inside of ORCA (Online Reporting of Campaign Activity) for reporting purposes.

- Ms. Strickland worked with PDC Filer Assistance staff to create a separate Exempt account in ORCA and submitted Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), disclosing contributions and expenditures undertaken by the WCDCC – Exempt account in calendar year 2021.
- On March 8, 2022, WCDCC - Exempt submitted a correct C-3 report disclosing a \$10,000 monetary contribution received on October 18, 2021, and deposited on October 21, 2021.
- On March 24, 2022, WCDCC – Exempt submitted twelve total monthly C-4 reports disclosing expenditures permissible to be made from Exempt funds.
- Of the total \$9,992.38 spent during calendar year 2021, \$5,442 was paid to Hall Properties for rent, and \$3,780.08 was paid to Gwen Groden for wages and employee benefits. The remaining \$770.30 was paid to Copy Source for envelopes and palm cards.
- Although these expenditures were originally timely submitted, they were misreported using the Non-Exempt account.
- On March 27, 2022, WCDCC – Non-Exempt submitted amended campaign reports to remove the Exempt activity.

It appears that the late reporting of WCDCC Exempt activity was due to a general misunderstanding of the reporting requirements and a lack of knowledge about the use of ORCA. Staff found no evidence that the Respondent made these errors intentionally to mislead the public.

Based on our findings staff has determined that, in this instance, failure to accurately file the Exempt activity in a separate account does not amount to a finding of a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, Whatcom County Democratic Central Committee - Exempt will receive a formal written warning concerning failure to accurately disclose contribution and expenditure activity in the Exempt funds account. The formal written warning will include staff's expectation that WCDCC accurately files all future required reports of contributions and expenditures. 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 Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Electronically signed

Jennifer Hansen
Compliance Officer

Endorsed by,

Electronically signed

Kim Bradford
Deputy Director
For Peter Frey Lavalley
Executive Director

cc: Whatcom County Democratic Central Committee