



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](mailto:pdc@pdc.wa.gov) • Website: [www.pdc.wa.gov](http://www.pdc.wa.gov)

May 17, 2022

Delivered electronically to Michael Lilliquist at [michaellilliquist@gmail.com](mailto:michaellilliquist@gmail.com)

Subject: Complaint filed by Glen Morgan, PDC Case 102574

Dear Mr. Lilliquist:

Below is a copy of an electronic letter sent to Glen Morgan concerning the above referenced complaint filed with the Public Disclosure Commission (PDC) against your 2017 campaign.

Pursuant to WAC 390-37-060(1)(d), this letter constitutes a formal written warning concerning your 2017 Campaign's failure to timely and accurately disclose contribution and expenditure activities. PDC staff expects you to file timely and accurate contribution and expenditure reports in the future. 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 has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Erick Agina, Compliance Officer, at (360) 753-111, toll-free at 1-877-601-2828, or by e-mail at [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov).

Sincerely,

*/s/ Peter Lavallee*

Peter Lavallee  
Executive Director





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May 17, 2022

Sent electronically to Glen Morgan at [glen@wethegoverned.com](mailto:glen@wethegoverned.com)

Subject: Complaint regarding Michael Lilliquist, PDC Case 102574

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its investigation of your complaint received on January 6, 2022, against Lilliquist for City Council. Your complaint alleged that Michael Lilliquist (Respondent), an incumbent city council member of City of Bellingham, may have committed violations of RCW 42.17A in the 2017 election year.

Your complaint alleged that the Respondent may have:

1. Failed to file accurate and timely Monetary Contribution (C-3) and Summary Full Campaign Contribution and Expenditure reports (C-4) – RCW 42.17A.235 and .240. You provided/attached four C4 reports to the complaint as evidence of the alleged violation.
2. Misappropriated campaign funds for personal use by not accounting for \$540.32 in campaign funds reported at the end of the campaign in 2017, but never carried forward and depicted as a carry forward from 2017 to the 2021 election/campaign year – RCW 42.17A.445 and WAC 390-16-238.

**RCW 42.17A.235 and .240** require political candidates, single election political committees, and continuing political committees to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during the same time period, and must be disclosed on Monday for contributions deposited during the previous seven days.

**RCW 42.17A.445** requires that contributions received and reported by political candidates may only be expended for personal use under certain specific circumstances and reported to the Commission pursuant to RCW 42.17A.235 and .240.

**WAC 390-16-238** states that expenditure of a candidate's campaign funds not directly related to the election campaign is a personal use of campaign funds prohibited under RCW 42.17A.445.

PDC staff reviewed your complaint, the response from the Respondent, and the reports filed by the respondent with the PDC.

As a result of the investigation, staff found the following:

*Alleged failure to file timely C-3 and C-4 reports (RCW 42.17A.235). The complaint included four C-4 reports filed by the Campaign in 2017 to document the alleged violation(s).*

- The complaint alleged: "It appears that on Lilliquist's last C-4 for his 2017 campaign for the Bellingham City Council (see PDC C4 #100803101 dated December 8, 2017) he showed a closing balance of \$540.32, yet on his beginning C4 for his 2021 campaign (see PDC C4 #110030999 dated 07/10/2021) he shows zero (\$0) for 'previous total cash and in-kind contribution.' What happened to the \$540.32 from his prior campaign?"
- In his responses to the complaint, the Respondent stated: "I am afraid that the ORCA reports may have been inaccurate or incomplete. I will admit that I am not skilled at accounting, and I did not understand very much about reporting via ORCA back in 2017. I relied on a volunteer, a local college student named Daniel Huang. I did not use ORCA myself, I did not verify all the reports, and Daniel filed the reports in my name. I say this not as an excuse for any mistakes, but only to explain why my grasp of the details is not specific or clear. I had assumed that my treasurer had filed all reports in a timely fashion, with a few cases of late filing and some amendments and corrections. I had assumed all was done and finalized, and the ORCA file for that year (2017) was closed." Michael Lilliquist further stated: "The actual disposition of the campaign funds is, I believe, best reflected in the bank account records, for (WECU) checking account for Lilliquist for City Council. The bank account shows different numbers, not surprisingly, based on timing of when check cleared. As the attached spreadsheet shows, at the end of November, the account held \$256.23, and after a final \$250 check cleared on 12/01/17, the account held a balance of \$6.32. See attached bank statements. At this point in 2017-18, I did not realize that the account would incur a \$5/month minimum balance fee, for falling below \$500. As a result, the account was (charge) \$5.00 on 12/31/17, 1/31/18, and 2/28/18, which left the account with a negative balance of -\$8.77. I paid off the debt myself, and closed the account. Again, see attached bank statements. So, contrary to Mr. Morgan's allegation that I 'took campaign money' and made it 'disappear' between campaigns, the account was drawn down to near zero with legitimate expenses, and I then I actually had to pay to close the account properly, after incurring additional bank fees."
- On March 31, 2022, the Respondent filed four late C-4 reports depicting how the \$520.32 was spent down by the Campaign, thereby accounting for how the \$520.32 was expended by the Respondent's campaign.

*Alleged misappropriation of campaign funds for personal use by not accounting for \$540.32 in campaign funds – RCW 42.17A.445 and WAC 390-16-238. The complaint included four C-4 reports filed by the Campaign in the 2017 election year to document the alleged violation.*

- Staff noted that the \$540.32 at issue in this matter was expended by the Respondent's campaign as opposed to being used for personal use. However, the Respondent's campaign failed to file the appropriate/pertinent statutory reports depicting how the amount was expended. The Respondent has since filed the reports depicting how his campaign expended the \$520.32 at issue in this matter.

Overall, the Respondent acknowledged and took responsibility for the deficiency in reporting/compliance, stating: "I will take this opportunity to say that I am embarrassed by the poor reporting, and I have learned a good lesson about trusting the job of reporting to a treasurer without understanding the reporting requirements myself."

Pursuant to WAC 390-37-060(1)(d), Michael Lilliquist will receive a formal written warning concerning his 2017 campaign's failure to file accurate and timely Monetary Contribution (C-3) and Summary Full Campaign Contribution and Expenditure reports (C-4) in the 2017 election year/campaign. 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 staff's investigation did not find evidence of violations warranting enforcement action beyond the Formal Written Warning described above, I am dismissing the remaining alleged violations in your complaint in accordance with WAC 390-37-070.

If you have questions, you may contact Erick Agina, Compliance Officer, at (360) 753-1111, toll-free at 1-877-601-2828, or by e-mail at [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov).

Sincerely,

*/s/ Peter Lavallee*

Peter Lavallee  
Executive Director

cc: Michael Lilliquist

