

Respondent Name(s)
Krystal Marx
Complainant Name
Glen Morgan
Complaint Description
<p><u>Glen Morgan</u> reported via the portal (<i>Fri, 13 May 2022 at 1:24 PM</i>)</p> <p>To whom it may concern,</p> <p>It has recently come to my attention that Krystal Marx has violated campaign disclosure laws per RCW 42.17A once again. As I have explained in the past, these violations have become habitual and a defining characteristic for this candidate. The violations she committed this time are as follows:</p> <ol style="list-style-type: none"> 1. Failure to file annual financial affairs report (F-1) for 2021 (Violation of RCW 42.17A.700) <p>Once again, former Burien City Councilmember Krystal Marx has demonstrated her contempt for Washington State's campaign finance laws by failing to file her financial affairs report (already a month late) for 2021. This is not the first time this former politician has broken this exact same law. For example, see PDC Enforcement Case #38795 where Marx was fined \$250 by the PDC for also failing to file a Financial Affairs Report and, according to the PDC records, it appears she still has not paid this fine many years after it was issued.</p> <p>This recent failure to follow the law is obviously nothing new for this politician, but the PDC could do something new and hold this politician accountable. Again, in the interest of a trip down memory lane for this candidate, here it is:</p> <p><u>The Marx History of Ignoring Washington State's Campaign Finance Laws</u></p> <p>It should be noted that Councilmember Marx has been fined by the Public Disclosure Commission for previous campaign finance violations (PDC Enforcement Case #38795 – see attached order and fine notice issued by the PDC on October 5, 2018). Marx was fined \$250 in that instance for failing to timely file her F1 financial disclosure documents, and apparently, according to PDC records, it appears she refused to pay that fine and the fine was sent to collections, according to PDC records on this case. Are there any consequences for just ignoring the PDC in cases like this?</p> <p>Judging from this politician's behavior, apparently not. It isn't clear why any politician will ever pay any PDC fine in the future if there are no consequences for not paying it for years as Marx has done in this case.</p> <p>In addition, it should also be noted, for the record that Marx has been sent reminder letters by the PDC for her historic serial violations of the state's campaign finance laws. (See PDC</p>

Enforcement Case#25726 – reminder letter attached where she failed to provide proper sponsorship identification on her campaign materials). Also see **PDC Enforcement Case #95991**, where the most recent reminder for “remedial” violations was sent to Marx.

Finally, Marx has also received formal warning letters for additional violations of Washington State’s Campaign Finance laws (See **PDC Enforcement Case #58190 – formal warning letter attached**) where Marx was caught attempting to conceal sources of personal income from the public on her financial affairs statements.

Marx’s cavalier attitude towards the PDC reporting requirements despite the friendly and helpful reminders, formal warning letters, and micro fine imposed by the PDC in the past probably requires more explicit and tangible response by the PDC, unless there is no longer an expectation that incumbent politicians like this need to follow the law. Based on Marx’s recent history, **it is clear that compliance with the law is a relatively low priority for this politician, and since there have been few consequences from violating the law in the past, last year’s effort to deceive the PDC and the public does appear to be an escalation of not just ignoring the state’s campaign finance laws, but now graduating to taking active steps to deceive the PDC and the public about her lawbreaking.**

At some point, with so much willful failure to follow the law and a total willingness now to ignore the PDC about her campaign finance violations, it might be time for the PDC to take more aggressive and active steps including significant fines or possible involvement of the Attorney General because clearly nothing else the PDC has done so far has made much of an impact on Krystal Marx’s repetitive lawbreaking.

Feel free to let me know if you need any additional information about this one.

Best Regards,

Glen Morgan

PDC Case 95991 Krystal Marx closed remediable.pdf
131.55 KB

38795 Marx Krystal Order.pdf
481.94 KB

PDC Case 58190 Krystal Marx closed with warning.pdf
155.67 KB

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

The public has a right to know the truth about this candidate and their secretive financial support programs. This candidate repeatedly attempts to conceal this information from the public. She has been caught many times in the past violating this law, and she continues to do it now.

List of attached evidence or contact information where evidence may be found
Many documents have been attached
List of potential witnesses with contact information to reach them
The candidate and whoever claims to be the treasurer now.
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.



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

September 14, 2021

Delivered electronically to krystal4burien@gmail.com and jason@argo.us

Subject: PDC Case 95991

Dear Krystal Marx:

Below is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed July 12, 2021 with the Public Disclosure Commission (PDC) alleging violations of RCW 42.17A.235 and .240 for failure to timely register with the PDC and timely and accurately report contributions and expenditures on Monetary Contributions (C-3) and Full Summary Contributions and Expenditures (C-4) reports.

As noted in the letter below, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into the allegations or take further enforcement action in this matter.

PDC staff reminds you about the importance of timely and accurately filing with the PDC and staff expects in the future you will timely and accurately file reports, and list full sponsorship information on political advertising in accordance with PDC laws and rules.

If you have questions, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdc.wa.gov

Sincerely,

/s

Alice Fiman
Compliance Officer

/s

Kim Bradford
Deputy Director
For Peter Lavallee
Executive Director



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September 14, 2021

Delivered electronically to glen@wethegoverned.com

Subject: Complaint regarding Krystal Marx, PDC Case 95991

Dear Glen Morgan:

The Public Disclosure Commission (PDC) completed its review of the complaint you filed July 12, 2021. The complaint alleged Krystal Marx, a 2021 candidate for Burien City Council, Position 5, violated RCW 42.17A.235 and .240 by failing to timely and accurately report contributions and expenditures on Monetary Contributions(C-3) reports and Full Summary Contributions and Expenditures (C-4) reports.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the applicable PDC reports, the evidence provided in the complaint and a response from Jason Bennett, campaign consultant, to determine whether the record supports a finding of one or more violations. We found the following:

- Krystal Marx registered with the PDC as a 2021 candidate for Burien City Council, Position 7, on January 9, 2018 and amended the registration on January 4, 2021.
- The Candidate registration filed by the Friends of Krystal Marx (Campaign) listed one officer, Jason Bennett, identified as a treasurer and consultant.
- In its most recent C-4 report, the Campaign timely filed the 7-Day Pre-Primary C-4 report filed on July 27 and amended August 5, 2021, disclosing \$18,242.28 in total contributions, \$12,988.74 in expenditures, \$3,998 in liabilities, and a \$1,255.54 balance.
- As noted in the complaint, PDC staff investigated the Marx campaign's \$250 debts and orders placed. This investigation, PDC Complaint 72721, noted the requirement to disclose debts and obligations once it has exceeded the \$750 threshold. PDC staff dismissed the allegation.
- In his response to the current complaint, PDC Case 95991, Bennett cited RCW 42.17A.240 (9)(a), which states 'the name and address of any person and the amount owed for any debt with a value of more than seven hundred fifty dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within thirty days before an election, or within ten business days during any other period.'

- Bennett stated the total debt is exactly \$750, three payments owed of \$250 each, so there is no debt reporting disclosure requirement for the Campaign. He added that the “reason it isn’t showing is because the PDC ORCA software (which we are not using anymore and have moved to vendor software) still shows debts of \$250 and more while vendor software is only showing debts of more than \$750.”
- In response to the allegation the Campaign website does list full sponsorship information and was not reported as an expenditure, Bennett stated the sponsor identification or “Paid for by disclaimer is showing on the website” however the Campaign PO Box address was missing and that has now been updated. He apologized for the oversight and stated “the website was updated by Krystal from her 2017 race. So the domain name and website hosting are a total of \$129.79 and we amended her C4s to reflect that small in-kind donation.”
- The C-4 report was initially timely filed by the Campaign on March 9, 2021 covering February 1 – 28, 2021, was amended by the Campaign on August 5, 2021, adding the \$129.79 in-kind contribution from Ms. Marx for the Campaign ‘website hosting/renewal (Wix).’

Based on these findings and the fact the Campaign took prompt action to comply, PDC Staff has determined the alleged non-compliance that appears to constitute violations of PDC laws and rules made by Krystal Marx are remedial in nature, and do not warrant further investigation or enforcement action. They involved expenditures total no more than \$500, occurred more than 30 days before the election, were inadvertent and minor in nature, and did not materially affect the public interest. Krystal Marx took corrective action as required by law for a remedial violation and Krystal Marx also substantially met all other required filing due dates within the previous 12-month period.

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, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s

Alice Fiman
Compliance Officer

/s

Kim Bradford
Deputy Director
For Peter Lavalley
Executive Director



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October 5, 2018

KRYSTAL MARX
12449 14TH AVE S
SEATTLE, WA 98168

And delivered electronically to "krystalamarx@gmail.com"

Subject: PDC Order, Case 38795

Dear KRYSTAL MARX,

Enclosed is a copy of the Public Disclosure Commission's Order Imposing Fine that was entered in the above-referenced case. At the September 24, 2018, Brief Enforcement hearing, the Presiding Officer assessed a total civil penalty of \$250 in accordance with WAC 390-37-143.

Your \$250 penalty is payable no later than **November 5, 2018**. Please make the check or money order payable to the WA State Treasurer, and mail the payment to the following:

**Department of Enterprise Services
Small Agency Services
PO Box 41465
Olympia, WA 98504-1465**

Please do not send the payment to the PDC offices.

Thank you for your prompt attention to this matter. Please file the missing F-1 report for calendar year 2017.

If you have questions, please contact us by email at pdc@pdc.wa.gov.

Sincerely,

/s/ 

Fox Blackhorn
Compliance Coordinator

Enclosure: Initial Order



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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

In Re: Compliance with RCW 42.17A

PDC Case 38795

KRYSTAL MARX,

Respondent.

Findings of Fact,
Conclusions of Law, and
Order Imposing Fine

Pursuant to the brief enforcement hearing (brief adjudicative proceeding) notice sent to KRYSTAL MARX on August 16, 2018, A brief adjudicative proceeding was held on September 24, 2018, in Room 206, Evergreen Plaza Building, 711 Capitol Way, Olympia, Washington, to consider whether the Respondent violated RCW 42.17A.700 by failing to file a Personal Financial Affairs Statement (F-1 report) as an incumbent official, which was due to be filed not later than April 16, 2018, disclosing financial activities for calendar year 2017.

The hearing was held in accordance with Chapters 34.05 RCW and 42.17A RCW and Chapter 390-37 WAC. Commission Chair Anne Levinson was the Presiding Officer. The Commission staff was represented by Fox Blackhorn-Delph, Compliance Coordinator. The Respondent did not participate in the hearing or submit any written materials.

Having considered the evidence, the Presiding Officer finds as follows:

FINDINGS OF FACT

1. The Respondent is a candidate for CITY COUNCIL MEMBER of CITY OF BURIEN.
2. As a candidate for election, the Respondent was required to file an F-1 report by April 16, 2018.
3. The Respondent did not file the missing F-1 report prior to the date of the hearing.
4. The Respondent has no prior violations.

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CONCLUSIONS OF LAW

Based on the above facts, as a matter of law, the Presiding Officer concludes as follows:

1. This matter was duly and properly convened and all jurisdictional, substantive, and procedural requirements have been satisfied.
2. The Respondent violated RCW 42.17A.700 by failing to file the F-1 report by April 16, 2018.

ORDER

ON the basis of the foregoing Findings of Fact and Conclusions of Law,

IT IS HEREBY ORDERED that the Respondent is assessed a civil penalty of \$250, in accordance with the F-1 penalty schedule set forth in WAC 390-37-143, payable within 30 days of the date of the Order.

It is further ordered that the Respondent:

1. **Pay the \$250 civil penalty within 30 days of the date of this Order.**
2. **“Cease and desist” from failing to file the required PDC reports in accordance with RCW 42.17A.755(4).**
3. **File the missing F-1 report disclosing financial activity for calendar year 2017 within 30 days of the date of this Order.**


In the event the Respondent fails to pay the \$250 civil penalty within 30 days of the date of the Order, PDC staff is directed to refer the matter to the Department of Enterprise Services (DES) for collection of the amount owed.

This is an **Initial Order** of the Public Disclosure Commission.

Entered this 5th day of October, 2018.

Public Disclosure Commission


Sean Flynn
General Counsel, for
Peter Lavallee
Executive Director

I, Fox Blackhorn, certify that I mailed a copy of this order to the Respondent at their respective address postage pre-paid, and by e-mail on the date stated herein.	
 Signed	<u>October 5, 2018</u> Date

APPEALS OF INITIAL ORDER

REVIEW OF INITIAL ORDER - BY THE COMMISSION

You may request that the full Commission review this initial order. To seek review, you must:

- Make the request orally or in writing, stating the reason for review, and identifying what alleged errors are contained in the initial order. *See* WAC 390-37-144(1). Staff may ask for written confirmation of oral requests for review.
- **REQUESTS FOR REVIEW MUST BE RECEIVED AT THE COMMISSION OFFICE WITHIN TWENTY-ONE (21) CALENDAR DAYS AFTER THE POSTMARK DATE OF THIS INITIAL ORDER.** Written requests for review should be delivered or mailed to the Washington State Public Disclosure Commission, 711 Capitol Way, Room 206, Box 40908, Olympia, WA 98504-0908.

If review of this initial order is timely requested, the full Commission will hear the matter. If the Commission is unable to schedule a meeting to consider the request within twenty (20) calendar days, this initial order becomes a final order, and any request for review will automatically be considered a request for reconsideration of a final order. *See* WAC 390-37-144(4). The matter would then be scheduled for consideration and disposition at the next Commission meeting at which it is practicable to do so.

A Respondent does not need to pay a penalty until after the Commission rules on a request for review of an initial order.

FURTHER APPEAL RIGHTS – SUPERIOR COURT

If the Commission does not receive a request for review of this initial order within twenty-one (21) calendar days, the initial order shall be the final order. *See* WAC 390-37-142(5).

YOU HAVE THE RIGHT TO APPEAL A FINAL ORDER TO SUPERIOR COURT, PURSUANT TO THE PETITION FOR JUDICIAL REVIEW PROVISIONS OF RCW 34.05.552.



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January 8, 2020

Delivered electronically to "krystal4burien@gmail.com"

Subject: Complaint filed by Glen Morgan, PDC Case 58190

Dear Krystal Marx

Below is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed with the Public Disclosure Commission (PDC). As noted in the letter to Mr. Morgan, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(d), this serves as a formal written warning concerning failure to comply with RCW 42.17A.710 by failing to accurately disclose financial information on your Personal Financial Affairs Statement (F-1) filed in 2019 covering 2018 activity. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

In addition, PDC staff expects you to submit an F-1 Supplement Section C, or email a memorandum to attach to your 2019 F-1 filing, listing each donor to your GoFundMe account whose donations were used to pay for you to attend the Institute for a Democratic Future Class of 2018. The form or memorandum, due February 1, 2020, can be printed and mailed or e-mailed to the PDC. For your information, there is no dollar threshold for travel or trainings, so each donation must be listed.

Your City of Burien stipend must also be disclosed on the 2019 F-1 you file in 2020, and, in the future, you must comply with all applicable PDC statutes, rules and reporting requirements.

The alleged violations of RCW 42.17A.235 and .240 for failing to accurately and timely report contributions and expenditures are dismissed as noted in the letter below. If you have questions, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov

Sincerely,

/s _____
Alice Fiman
Compliance Officer

Endorsed by,
/s _____
Peter Lavalley
Executive Director



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January 8, 2020

Delivered electronically to glen@wethegoverned.com

Subject: Complaint regarding Krystal Marx, PDC Complaint 58190

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed October 4, 2019. Your complaint alleged that Krystal Marx, a City of Burien council member, may have violated: (1) RCW 42.17A.710 by failing to accurately disclose personal financial information on a Personal Financial Affairs Statement (F-1) filed in 2019 for calendar year 2018 activities; and (2) RCW 42.17A.235 and .240 for failing to timely and accurately file reports of contribution and expenditure activities on Monetary Contributions (C-3) reports and Summary Full Campaign Contributions and Expenditures (C-4) reports concerning the establishment of a GoFundMe account.

To determine whether the record supports a finding of one or more violations, PDC staff reviewed: the allegations; the applicable statutes, rules, the F-1 reporting requirements; the C-1, C-3 and C-4 reports filed by Krystal Marx; and the response from Krystal Marx.

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

- Krystal Marx was elected to the Burien City Council in 2017 as a first-time candidate. She filed a Candidate Registration (C-1) for re-election to the same office on January 9, 2018 for the 2021 election year.
- As an elected official, Marx is required to file an F-1 and if needed, an F-1 Supplement report, by April 15 of each year. The report covers the prior year.
- As noted in the complaint, Marx failed to disclose Code B in the income section of the F-1 report for the \$7,200 stipend she was paid as a Burien City Councilmember on the report. In her response, Marx stated she was not aware that her city council salary was classified as income and reportable on the F-1 report.
- The F-1 report requires filers to list of income of \$2,400 or more, and based on staff's review, there were no GoFundMe with donors of \$2,400 or more.
- Based on staff's review, the GoFundMe proceeds received by Marx that were used to pay for her participation in IDF were required to have been disclosed on an F-1 Supplement Section C. Section C requires the filer to disclosed funds for official office related activities concerning: 1) Food and beverages costing over \$50 per occasion, excluding certain receptions as defined in WAC 390-20-020A; 2) Travel occasions; or 3) Seminars, educational programs or other training, "if a source other than your own governmental agency paid for or otherwise provided all or a portion" of the costs.

- Concerning the GoFundMe account, Marx stated that she requested donations to the account to pay for her to participate in the Institute for a Democratic Future Class of 2018 as a leadership fellowship. The Institute for a Democratic Future (IDF) was formed in 1997 by co-founders Dean Nielsen and Lisa Witter, “to develop and promote emerging generations of Democratic and civic leaders in Washington State,” and involves a six-month fellowship plus a week in Washington, D.C.

Staff requires Marx, by February 1, 2020, file an F-1 Supplement and complete Section C, or email a memorandum to attach to her 2018 F-1 report, listing each donor to her GoFundMe account whose donations were used to pay for her to attend the Institute for a Democratic Future.

Based on these findings staff has determined that, in this instance, failure to accurately disclose personal financial information on the F-1 report filed in 2019 covering 2018 activity does not amount to a finding of a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, Krystal Marx will receive a formal written warning concerning her failure to accurately disclose personal financial information on the F-1 report filed for calendar year 2018. The formal written warning will include staff’s expectation Marx will disclose her City of Burien stipend earned in calendar year 2019 on the F-1 filed in 2020, and, in the future, she must comply with all applicable PDC statutes, rules and reporting requirements.

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, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s_____

Alice Fiman
Compliance Officer

Endorsed by,

/s_____

Peter Lavalley
Executive Director