



**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.pdcc.wa.gov

April 4, 2024

Delivered electronically to Betsy Wilkerson at "blwilkers@aol.com"

Subject: Complaint filed by Glen Morgan, PDC Case 137290

Dear Betsy Wilkerson:

Below is a copy of an electronic letter sent to Glen Morgan concerning two complaints 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 conduct a more formal investigation into these allegations or take further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(d), this serves as a formal written warning concerning your failure to comply with the filing requirements noted in the enclosed letter sent to Mr. Morgan. Staff expects you to timely and accurately file all required reports of contributions and expenditures and accurately file all personal financial information in future years. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

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

Peter Frey Lavalley
Executive Director



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April 4, 2024

Delivered electronically to Glen Morgan at “glen@wethegoverned.com”

Subject: Complaint regarding Glen Morgan, PDC Case 137290

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on May 16 & 26, 2023. The complaint alleged that Betsy Wilkerson, a current Spokane City Councilmember and candidate for Spokane City Council President in the 2023 election, may have violated: (1) RCW 42.17A.235 for failure to timely file Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports); (2) RCW 42.17A.240 for failure to file accurate C-3 and C-4 reports; (3) RCW 42.17A.405 for accepting an overlimit contribution; and (4) RCW 42.17A.710 for failure to disclose business associations on the Personal Financial Affairs Statement (F-1 report).

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by former Campaign Manager & Treasurer, Riley Smith and Ministerial Treasurer, Andy Taylor on behalf of the Respondent; the applicable PDC reports filed by the Respondent; the Respondent’s data in the PDC contribution and expenditure database; and other relevant information, to determine whether the record supports a finding of one or more violations.

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

- Betsy Wilkerson was elected to the Spokane City Council in the 2021 election and was required to submit C-3 and C-4 reports for the 2021 campaign and, in calendar years 2022 and 2023, F-1 reports as an elected official.
- On March 10, 2023, Betsy Wilkerson submitted a Candidate Registration Statement (C-1 report) declaring her candidacy for Spokane City Council President in the 2023 election, selecting the “Full Reporting” option and listing Riley Smith as Treasurer. The C-1 report was amended to add and Haley Turner as Campaign Manager and amended again to identify Andy Taylor as Treasurer.
- On July 11, 2023, the Respondent registered a Surplus Funds Account and submitted a C-4 report disclosing deposit of the \$2,766.89 balance from the 2021 Campaign not transferred with permission to the 2023 Campaign.
- RCW 42.17A.235 describes the required filing deadlines for disclosure of campaign finance activities including monetary contributions, in-kind donations of goods or services, and expenditures made by the campaign.
- RCW 42.17A.240 describes the required content of each campaign reports including the name and address of each person making contributions and to whom an expenditure was made.

May 16, 2023, Complaint

Allegations One & Two: Failure to accurately report carry forward donations on C-4 reports & illegal contribution from candidate campaign

- The complaint alleged that the Respondent had misused, or illegally transferred the balance from the 2021 Spokane City Councilmember Campaign to the 2023 Spokane City Council President Campaign.
- In his response, Mr. Smith explained that the \$3,254.89 originally reported on the March 2023 matched the balance of the bank account. He said he mistakenly believed that those funds had transferred with permission from the 2021 donors but found that only \$1,020 had received the required approval for use in a different campaign.
- In addition, Smith stated that the 2021 Campaign had received an over-limit contribution and that the refund check had not been cashed at the time he began reporting for the 2023 Campaign.
- The Respondent made corrections to the 2023 Campaign's C-4 reports including adjusting the beginning balance reported on the March 2023 C-4 report to zero.

Allegation Three: Illegal transfer of funds to another committee & failure to disclose recipient of campaign expenditures

- The complaint alleged that the 2021 Wilkerson Campaign either made an illegal \$1,000 contribution to the Spokane County Democratic Central Committee on September 16, 2022, or the Respondent had misidentified the true purpose of the expense.
- RCW 42.17A.005(51) defines "surplus funds" as the balance of contributions that remain in the possession or control of a candidate subsequent to the election for which they were received, and that are in excess of the amount necessary to pay remaining debts or expenses incurred by the candidate with respect to that election.
- In the response, Mr. Taylor confirmed that the \$1,000 given to the Spokane County Democratic Central Committee was surplus funds rather than active campaign funds.

Allegation Four: Failure to accurately describe campaign expenditures

- The complaint alleged that the Respondent had failed to include detailed descriptions for expenditures made by the 2021 Campaign.
- In his response, Mr. Taylor confirmed that the three expenditures referenced in the complaint were missing the required description. He amended the C-4 reports on September 21, 2023, specifically disclosing: (1) a \$258 payment on July 21, 2021, to The Inlander for an advertisement run in the "Best of" issue pullout section; (2) a \$1,399.56 payment on October 29, 2021, to Lawton Printing for printing of 6,110 6"x4" postcards; and (3) a \$8,000 payment on November 1, 2021, to EFFECTV for 176 15-second ad spots and 91 30-second ad spots.
- A review of other expenditures, both originally reported and disclosed on amendments, made by the 2021 Campaign found the sufficient level of detail required for expenditures, specifically those made for political advertisement.

May 26, 2023, Complaint

Allegation One: Receipt of an over-limit in-kind contribution

- The complaint alleged that the 2023 Campaign had accepted an over-limit in-kind contribution of \$1,479 from vendor Sterling Strategies on April 14, 2023, specifically \$279 over the \$1,200 per donor limit for the 2023 primary election.
- WAC 390-17-300 describes receipt of undesignated contributions and how a campaign should attribute such contributions when received prior to a general election.
- In his response, Mr. Taylor stated that the campaign believed that the in-kind services benefitted both the primary and general elections and it was appropriate to attribute a portion to the general.
- PDC staff informed the Respondent of its belief that because in-kind contributions are goods or services provided to a campaign, they are typically not eligible to be made prior to the general election phase and attributed to general election contribution limits.
- After this consultation, the Respondent issued a refund of the \$279 over-limit donation and disclosed the expenditure on February 29, 2024.

Allegation Two: Failure to identify employer information for campaign donor

- The complaint alleged that the Respondent had failed to identify the true employer information for a \$500 contribution made by Ben Stuckart on March 30, 2023.
- In his response, Mr. Smith stated that Stuckart's contribution was not accompanied with his current employer and occupation information.
- Smith submitted an amended C-3 report on June 5, 2023, with Mr. Stuckart's missing information included.

Allegation Three: Failure to disclose business associations on the F-1 report

- The complaint alleged that Ms. Wilkerson had failed to include her board position with the Carl Maxey Center on her F-1 report covering calendar year 2022.
- At the time of the complaint the Carl Maxey Center website identified the Respondent as a board member.
- RCW 42.17A.710 requires that the F-1 disclose every public or private office, directorship, and position held as trustee.
- In his response, Mr. Riley Smith stated that Ms. Wilkerson resigned from her position with the Carl Maxey Center in March 2023 and that the website had not been properly updated to reflect this change.
- After staff explained that the annual F-1 report covers activity for the previous calendar year and thus the board membership should have appeared on the F-1 report filed in 2023, the Respondent submitted an amendment on December 11, 2023, disclosing it.

Allegation Four: Illegal acceptance of contributions for the 2021 primary election

- The complaint alleged that the Respondent did not have a primary election and had attributed contributions to that election.
- WAC 390-17-301 describes a candidate's eligibility to receive primary election contribution, specifically that only candidates who appear on the primary ballot may receive primary election contributions.

- At the time of the 2021 primary election, Tyler LeMasters was Ms. Wilkerson's opponent for Spokane City Council on the August 3, 2021, primary election. On August 25, 2021, Spokane County Superior Court Judge Annette Plese ruled on a challenge to LeMasters' residency and found him ineligible to serve. As a result, LeMasters did not advance to the November 2, 2021, general ballot.
- In his response, Mr. Taylor stated that since this decision was made after the date of the election, it was permissible to attribute contributions to the primary election.

It appears that the inaccurate reporting and late amendments were due in part to the lack of knowledge by the Respondent's 2021 treasurer and general misunderstanding of the reporting requirements for expenditure descriptions and content F-1 reports. Although one F-1 report and a small number of C-3 and C-4 reports required corrections, staff found no evidence that the omissions or late reporting was done intentionally to conceal activity from the public.

Based on our findings staff has determined that, in this instance, failure to timely and accurately file C-3 and C-4 reports for the 2021 and 2023 Wilkerson Campaign and failure to file an accurate F-1 report covering calendar year 2022, does not amount to a finding of a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, Betsy Wilkerson will receive a formal written warning concerning failure to timely and accurately disclose contributions and expenditures for her 2021 and 2023 Campaigns and failure to include a business association on the F-1 report covering calendar year 2022. The formal written warning will include staff's expectation that Ms. Wilkerson timely and accurately files all future required reports of contributions and expenditures and timely and accurately file all future personal financial information. 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

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Peter Frey Lavalley
Executive Director

cc: Betsy Wilkerson