



**State of Washington  
PUBLIC DISCLOSURE COMMISSION**

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May 20, 2019

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

Subject: Complaint regarding Patricia Kuderer, PDC Case 28824

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on December 13, 2017. Your complaint alleged that Patricia Kuderer, a State Senator for the 48<sup>th</sup> Legislative District, may have violated RCW 42.17A.235 by failing to timely and accurately file C-3 and C-4 reports, including the failure to properly report the purpose of expenditures, as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205, RCW 42.17A.240 by failing to timely and accurately report debt and update candidate registration report, and RCW 42.17A.265 by failing to report last minute contributions.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the C-3 and C-4 reports filed by the Friends of Patty Kuderer (Committee); and the response provided by the Committee.

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

Allegation One: Failure to timely file C-3 and C-4 reports.

- PDC staff reviewed the nine reports (seven C-3 and two C-4 reports) you attached in the spreadsheet. Staff found that out of the total nine alleged late reports in the attached spreadsheet, one was an amended report which was initially filed timely and two were reports depicting interest accrued in the amount of \$0.11 and \$0.99. The Campaign was statutorily not required to report accrued interest. For the remaining six reports, four were one day late and the last two were between 28 and 32 days late, accounting for \$5,030 in contributions and \$2,082 in expenditures by the Committee.

Allegation Two: Failure to timely and accurately report debt.

- PDC staff reviewed the 48 alleged unreported debts you attached in the spreadsheet. Staff found that a few items on the spreadsheet appear to be orders placed and paid for during the same reporting period or payments made for treasurer services or other recurring payments and were therefore not required to be reported as debt. For example, the three payments made to *Abbot Taylor* for treasury services for the months of June, July and August 2016. For the remaining items, staff noted that they appear to be debts that should have been reported on earlier C-4 reporting cycles prior to the payments being made.

Allegation Three: Failure to properly report the purpose of expenditures.

- Staff reviewed the description of the payments made to the 13 vendors you attached in the spreadsheet. Staff found that most of the expenditures lacked proper description(s) or additional information as required by law/rule. For example, on March 31, 2016, and August 26, 2016, Winpower Strategies was paid \$1,750.00 and \$875.00 for *Doorbellers (Cap City Press)* and *Yard Signs (Thompson Signs)*, respectively. The number of items printed for the mailers and yard signs was not included. A more detailed description that includes the number of items printed should have been included in the report by the Committee.
- In its response to this allegation, the Committee, by way of Patricia Kuderer, stated, “Neither my treasurer nor I knew the quantity on printed items or that the name of the actual landlord (as opposed to the vendor) was required to be included in the report.”

Allegation Four: Failure to timely file a C-1.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Five: Failure to file previous contributions and expenditures on the same day as filing the C-1.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Six: Failure to report last minute contributions.

- Staff review found that the Committee received a Last Minute Contribution (LMC) from the Firefighters Local 1747 PAC on 11/3/2017 and reported it on 11/6/2017.
- In its response, the Committee stated, “If the 48-hour Last Minute Contribution window ends on a weekend, the report is due on the following business day, which is when this report was filed.”

Allegation Seven: Failure to list committee officers.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Eight: Unauthorized expenditures by a non-committee officer.

- In its response, the Committee, by way of Patricia Kuderer, stated, “I approved all expenditures before they were paid. No other person authorized or approved of expenditures.”

Allegation Nine: Failure to timely update C-1.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Ten: Failure to preserve books of account.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Eleven: Failure to certify contribution and expenditure reports.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Twelve: Depositing of campaign funds by a non-committee officer.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Thirteen: Failure to record loans by written instrument.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Fourteen: Failure to include sponsor ID on a campaign Facebook page.

- In its response to this allegation, the Committee stated, “Because there is no cost to have a Facebook page, there was no Paid for By included on the page. In an effort to be more transparent, we have added a sponsor ID to the Facebook page.”

Allegation Fifteen: Failure to timely and accurately submit an F-1 report.

- This allegation is predicated on “information and belief.” No evidence was provided to substantiate the allegation.

Allegation Sixteen: Failure to accurately disclose ownership of a PERS retirement account.

- In its response to this allegation, the Committee stated, “The PERS retirement account is new and I inadvertently omitted it from the 03/29/2017 F1; I have amended it and have taken steps to ensure this oversight does not occur again. There was no duty to report the PERS retirement account on the F1 filed in 2016 because the amount was less than the reporting threshold of \$2,400.”

Allegation Seventeen: Improper use of campaign surplus funds.

- PDC staff reviewed this allegation and found that the Committee made a total of five payments from the surplus fund account. Four were made to Abbot Taylor for treasury services and one for the USPS – PO BOX rental.
- In its response, the Committee, by way of Patricia Kuderer, stated, “The expensed listed are for the general operation and maintenance of the Patricia Kuderer Surplus Fund Account – treasury services to ensure compliance with the PDC regulations and a PO Box to provide a separate legal address for the Surplus Fund Account.”

Staff noted that there were expenditures made by the Committee either to a vendor or consultant for which a more detailed explanation or description should have been provided. Staff further noted that (1) Some of the alleged unreported debts should have been reported on the reports covering the reporting periods immediately before the debts were paid; and (2) Six reports were filed between one and 30 days late. Although there were a few late reports and expenditures and debts that were not reported accurately, the Committee showed a good faith effort by amending their reports to disclose additional information in the interest of transparency.

Based on these findings staff has determined that, in this instance, Committee’s failure to timely file six reports that were between one and 30 days late, including expenditures for debt, and the failure to properly report the purpose of expenditures, does not amount to an actual material violation warranting further investigation.

However, staff is reminding Patricia Kuderer about the importance of filing timely and accurate C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the Campaign, including expenditures for debt, and the importance of properly reporting the purpose of the expenditures, as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205.

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 Erick Agina at 360-586-2869, toll-free at 1-877-601-2828, or by e-mail at [erick.agina@pdc.wa.gov](mailto:erick.agina@pdc.wa.gov)

Sincerely,

Endorsed by,

s/\_\_\_\_\_  
Erick Agina, Compliance Officer

s/\_\_\_\_\_  
BG Sandahl, Deputy Director  
For Peter Lavallee, Executive Director

cc: Patricia Kuderer

