

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 • Website: www.pdc.wa.gov

December 14, 2023

Delivered electronically to Andrew Reding, Chair, at whatcomofcdems@gmail.com and Cheyanna Strickland, Treasurer, at cheystrick9@gmail.com

Subject: Complaint filed by Glen Morgan, PDC Case 141073

Dear Andrew Reding and Cheyanna Strickland:

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 following 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, per WAC 390-37-060(1)(d), this serves as a formal written warning concerning the Whatcom County Democratic Central Committee's (the Committee) failure to adhere to the statutory contribution limits outlined in RCW 42.17A.220 and failure to timely disclose expenditures & contributions in both the non-exempt and exempt accounts for election years 2019 through 2023 per RCW 42.17A.235. Staff expects the Committee to follow statutory contribution limits and timely disclose expenditures and contributions moving forward. If violations of PDC laws or rules occur in the future, the Commission will consider this formal written warning in deciding on further Commission action.

If you have questions, you may contact Tanya Mercier by e-mail at pdc@pdc.wa.gov.

Sincerely, Endorsed by,

/s/ Electronically signed

Tanya Mercier Peter Frey Lavallee
Compliance Officer Executive Director



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December 20, 2023

Delivered electronically to Glen Morgan at glen@wethegoverned.com

Subject: Complaint against Whatcom County Democratic Central Committee, PDC Case 141073

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review and assessment of the complaint you filed on August 4, 2023. The complaint alleged that the Whatcom County Democratic Central Committee (the Committee), a bonafide political party, may have violated RCW 42.17A.220 by accepting anonymous contributions totaling over the \$300 limit in election year 2020; and RCW 42.17A.235 by failing to timely disclose expenditures & contributions in both the non-exempt and exempt accounts for election years 2018 through 2023.

PDC staff reviewed the allegation(s); the applicable statutes, rules, and reporting requirements; the response(s) provided by the Respondent; the applicable PDC reports filed by the Respondent; 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:

- The Whatcom County Democratic Central Committee has an exempt account and a non-exempt account registered with the PDC. The Committee, for both accounts, registered under the Full Reporting option as a continuing committee. The treasurer for both accounts is Cheyanna Strickland.
- RCW 42.17.220(4) limits unidentified contributions (except for those made by individuals/persons whose names must be recorded and maintained by a political committee's treasurer) in excess of one percent of the total accumulated contributions received in the current calendar year, or \$300, whichever is more.
- Staff noted that the Committee accepted \$676.89 in anonymous contribution in excess of the one percent of accumulated contributions at that time allowed under the statutory scheme.

- In its responses to the complaint, received on October 20, 2023, the Committee, by way of Dan Raas, stated: "We've determined that your number, \$676.89, is correct." "In 2020 we had a 'tip jar' at all of the community events in which we participated, at our campaign events and at our booth at the N.W. Washington Fair. Our volunteers at these events proudly brought the money to our former Treasurer, who duly reported the amounts on our PDC filings. No one was aware of a limit on cash donations below \$25 not tied to a person or entity. As a result, our success resulted in collection of \$676.89 above the amount permitted. We now watch the amount of small donations under \$25 so as not to exceed the limit and no longer encourage anonymous cash donations."
- On October 31, 2023, PDC staff received a \$676.89 payment from the Committee for escheatment to the State of Washington.
- Per RCW 42.17A.235, under the Full Reporting Option, the Committee was required to disclose contribution and expenditure information by submitting Receipts and Expenditure Summary (C-4) reports and Cash Receipts, Monetary Contributions (C-3) reports to the PDC. The Committee's due dates for the C-3 and C-4 reports are determined by its activity and participation in the election cycle.
- Amendments are insufficient evidence of late reporting. There are many reasons a committee might amend their reports and the mere presence of an amendment is not itself conclusive evidence of a violation. When considering C-3 and C-4s, these report amendments require inspection of the actual report to determine whether the committee has a requirement to report activity by a given date. As well, deciding if a report is late is not as simple as calculating the days late based on a periodic reporting timeline and when a report was filed but is fact specific to the campaign and its activities. In this instance, the evidence provided was insufficient to support the allegations of late or inaccurate reporting for the identified amended reports for years 2018 through 2023.
- Specific to reporting for 2018, the alleged violations are beyond the statute of limitations. Per RCW 42.17A.770, action must be started within five years after the date when the alleged violation occurred.
- Of the non-amended reports due in 2019 through 2023, outlined in the evidence provided, five reports in the exempt account and two reports in the non-exempt account showed a level of late-reported activity that would have deprived the public of critical information.
 - O In 2022, C-3 reports for the non-exempt account, #110119671, 110119675, and 110118076, totaled to \$7,706.00 in financial activity across the reports identified. Activities reported included an auction where most of the items were auctioned at below Fair Market Value, a surplus funds transfer from a candidate, and individual contributions. None of these reported items appears to be inaccurate.
 - o In 2021, C-3 reports for the non-exempt account, #110068769 reported a contribution from the IAFF for \$1,000 and #110043718 reported individual contributions for a total of \$2,105.09.

- o In 2021, C-4 report #110077696 and #110075793 reported \$10,0000 each in financial activity. Upon review of the reports, the activity was determined to be related to a \$10,000 contribution made by the Lummi Indian Business Council. During the current investigation it was learned this same contribution was identified in an earlier complaint filed by you, #102127, and was resolved with a written warning. The Committee worked with PDC staff to ensure the reporting of this contribution is now correct.
- The Committee has previously received a written warning for similar violations of RCW 42.17A.235.

While our review found that the Whatcom County Democratic Central Committee accepted and deposited over the limit anonymous contribution(s) in violation of RCW 42.17A.220, the Committee took responsibility and promptly escheated the over limit anonymous contribution to the State of Washington. As well, at the time of your complaint and based on the evidence provided, the Committee was in substantial compliance for timely reporting of C-3 and C-4 reports specific to years 2019 – 2023.

However, per WAC 390-37-060(1)(d), the Whatcom County Democratic Central Committee will receive a formal warning letter concerning its failure to adhere to the statutory contribution limits outlined in RCW 42.17A.220 and failure to timely disclose expenditures & contributions in both the non-exempt and exempt accounts for election years 2019 through 2023 per RCW 42.17A.235. The formal written warning will include staff's expectation that the Committee will follow statutory contribution limits and timely disclose expenditures and contributions moving forward. Additionally, 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 necessary and has dismissed this matter per RCW 42.17A.755(1).

If you have questions, you may contact Tanya Mercier by e-mail at pdc@pdc.wa.gov.

Sincerely, Endorsed by,

/s/ Electronically signed

Tanya Mercier
Compliance Officer

Endorsed by,

/s/ Electronically signed

Peter Frey Lavallee
Executive Director

cc: Whatcom County Democratic Central Committee