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Phil Stutzman Compliance Office Washington Public Disclosure Commission 711 Capitol Way S. #206 P.O. Box 40908 Olympia, WA 98504-0908 pdc@pdc.wa.gov

> Re: PDC Case No. 147631 BIL No.: 3450\*008-001

Dear Mr. Stutzman,

We are writing on behalf of Washington Education Association PAC (WEA PAC or Committee) to respond to Glen Morgan's January 21, 2024, complaint. Mr. Morgan alleges various violations of RCW 42.17A.235, .240, .405 and WAC 390-16-042. As explained below, the majority of Mr. Morgan's complaint involves factually incorrect allegations stemming from Mr. Morgan's November 2, 2023, inspection of WEA PAC's books of account based on Mr. Morgan's misattribution of WEA expenses to WEA PAC. Mr. Morgan also advances several unsupported readings of the Fair Campaign Practices Act (FCPA), including: 1) in-kind contributions of goods or services must be reported as having occurred on the date the contributor paid the in-kind vendor; 2) uncashed expenditure checks must be reported as outstanding debts; 3) recurring contributions must be reported as pledges; and 4) reporting related to small-dollar online advertising must include the date of advertising and the number of impressions. These interpretations are not grounded in the language of the statute, accompanying rules, or existing agency interpretations, and should not be a basis for a finding of violation against the Committee.

For the reasons set forth below, the Committee believes an administrative resolution would be the most appropriate outcome for this complaint.

# I. Failure to report production costs of Bob Ferguson for Governor campaign endorsement video and overlimit contribution to candidate in violation of RCW 42.17A.235, .240, .405.

Mr. Morgan alleges that WEA PAC failed to report expenditures related to the production of a video posted to YouTube documenting WEA PAC's process for interviewing and endorsing Washington gubernatorial candidates. Mr. Morgan further alleges that the video constituted an overlimit in-kind contribution to the Ferguson campaign.

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Under RCW 42.17A.235 and .240, political committees must report all contributions received and expenditures made according to established timelines. This includes both in-kind contributions received and in-kind expenditures made on behalf of candidates and other political committees. See RCW 42.17A.005(15)(a), (22). However, contributions do not include internal member communications "primarily limited to the members of or contributors to a . . . political or incidental committee . . . or to the members of a labor organization or other membership organization." RCW 42.17A.005(15)(b)(v); see also WAC 390-05-515. Internal member communications are also exempt from reporting as independent expenditures. WAC 390-16-058(2)(d). "In determining whether an internal political communication is 'primarily' limited to the members of an organization or political committee, the commission will consider whether any distribution to nonmembers is incidental and isolated." WAC 390-05-515(4).

The PDC considers the costs of preparing and distributing a candidate endorsement to be reportable if it involves a "measurable expenditure of funds." WAC 390-16-206(1). Additionally, the dissemination of a candidate endorsement may constitute political advertising. *See* RCW 42.17A.005(40). However, a candidate who is the subject of an endorsement "shall not be required to report such expenditure as a contribution unless the candidate . . . advises, counsels or otherwise encourages the [endorser] to make the expenditure." WAC 390-16-206(2).

WEA created the video flagged by Mr. Morgan to explain the WEA PAC Board's endorsement process to its members. The endorsement explainer was intended for an internal member audience. It was posted on a members-only portion of the WEA website and distributed in an email to members who had donated to WEA PAC. However, the video was also posted publicly on the WEA YouTube account in order to facilitate its dissemination to members.<sup>2</sup> The video was also posted on WEA social media accounts and included in a public blog post on the WEA website. The endorsement explainer was produced in-house by WEA with staff time valued at \$1,619. WEA did not utilize any outside vendors and made no expenditures to promote the video on YouTube or any social media platform. While candidate Ferguson appears in the video, the candidate had no involvement in its production or dissemination and his campaign had no way of knowing how the footage from the endorsement interview would be used. Because candidate Ferguson in no way advised, counseled, or encouraged the expenditure, it is not reportable as a contribution to the Ferguson campaign.

Following Mr. Morgan's complaint, all public-facing instances of the endorsement explainer video have been taken down.<sup>3</sup> During the approximately two-month period in which the endorsement explainer video was publicly available online, the video was viewed approximately 140 times on YouTube, 700 times on Facebook, 37 times on "X," and 501 times on Instagram. While it is not possible for the Committee to know who these viewers are, the vast majority are likely to be WEA members based on the composition of the Committee's subscriber base and social media following. WEA believes any non-

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<sup>&</sup>lt;sup>1</sup> Political advertising is defined to include "any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, digital communication, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign."

<sup>&</sup>lt;sup>2</sup> Posting the video to YouTube allowed communications staff to embed the video in the members only portion of the WEA website and to include a link to the video in the members only email.

This video can be viewed on an unlisted YouTube page at the following link: <a href="https://www.youtube.com/watch?v=Rm9djkv1pNo">https://www.youtube.com/watch?v=Rm9djkv1pNo</a>.

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member viewings would have been de minimus, particularly when compared to its intended audience of 92,000+ WEA members.

Additionally, though the video is not a reportable contribution under the language of WAC 390-16-206(2), WEA has invoiced the campaign for the value of the WEA staff time that went into producing the video to put to rest any question of an overlimit contribution. Given the primary function of this video as an internal member communication and the Committee's proactive steps to address its very limited public distribution, the Committee does not believe that its failure to report staff time associated with the production of the video to be a material violation of the FCPA. The video's posting and its removal took place many months before the election at issue, the Committee did not make a measurable expenditure of funds to distribute the video beyond its intended audience of WEA members, and the Ferguson campaign has now been invoiced for the cost of the video.

#### II. Failure to disclose debt in violation of RCW 42.17A.240 and WAC 390-16-042.

#### A. Failure to report temporary refund to Fincher Consulting LLC as an outstanding debt.

Mr. Morgan alleges that WEA PAC was obligated to report an outstanding debt because a check that WEA PAC furnished to a vendor went uncashed. Under WAC 390-16-042, a political committee is required to report a debt or obligation of more than \$1,000<sup>4</sup> if the vendor "has not been paid in full for the goods received, invoices submitted, or services performed" and the debt or obligation has been outstanding for more than five business days for reports due within 30 days of an election or outstanding for more than ten business days for any other reporting period.<sup>5</sup> The rule does not address a scenario in which a committee pays an invoice in full but—through no fault of the committee—the vendor fails to accept payment. PDC website guidance instructs ORCA filers that when an expenditure check is not cashed, the expenditure should be deleted, and the report amended so that the expenditure no longer appears.<sup>6</sup>

During the November 2022 reporting period, WEA PAC was invoiced for an independent expenditure mailing provided by Fincher Consulting, LLC. WEA PAC paid the invoice and that payment was timely reported on the Committee's C-4 report for the month of November. WEA PAC also promptly reported the mailing on a C-6 report because it occurred within 21 days of the election. However, WEA PAC's check to Fincher Consulting, LLC was not cashed, and WEA re-issued payment in May 2023 under the same invoice. The Committee reported this expenditure on its C-4 report for that month. The Committee later amended its January 2023 reporting to show a refund of the original payment.

Based on the language of WAC 390-16-042 and the PDC's own guidance, there is no clear requirement that a committee report an uncashed check as an outstanding debt. The Committee promptly

<sup>&</sup>lt;sup>4</sup> Formerly \$750 during the time period at issue.

<sup>&</sup>lt;sup>5</sup> This rule restates the essential requirements of RCW 42.17A.240(9)(a).

<sup>&</sup>lt;sup>6</sup> See What do I do when an expenditure check that I wrote isn't cashed? <a href="https://www.pdc.wa.gov/registration-reporting/candidates-committees/electronic-reporting-tools/orca-fags">https://www.pdc.wa.gov/registration-reporting/candidates-committees/electronic-reporting-tools/orca-fags</a>.

<sup>&</sup>lt;sup>7</sup> PDC Report No. 110129802.

<sup>&</sup>lt;sup>8</sup> PDC Report No. C6-11807.

<sup>&</sup>lt;sup>9</sup> PDC Report No. 110152624.

<sup>&</sup>lt;sup>10</sup> PDC Report No. 110186191.

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issued payment in response to the vendor invoice it received and reported that payment. It had no way of knowing if or when its check would be cashed, but its obligation to the vendor was fulfilled and reported as an expenditure. When the vendor requested re-issued payment, the Committee paid the vendor a second time and reported the expenditure. The PDC's ORCA filer guidance suggests that the original November expenditure for pre-election political advertising should have been deleted altogether once the check became stale—and says nothing about reporting the uncashed check as an outstanding debt. Here, the Committee's reporting ensured that the November 2022 C-4 report matched the Committee's C-6 report and reflected the pre-election expenditure for political advertising. The Committee also fully disclosed its issuance of a second check to Fincher Consulting in May 2023.

Not only is there no basis in the FCPA for the requirement that uncashed checks be reported as outstanding debts, but this requirement would be wholly unworkable in practice. Would committees be required to report an outstanding debt any time there is a delay between when a check is issued and when it is cashed? Or only once the check becomes stale? Once the check becomes stale, an unforeseeable event, would the committee be required to amend earlier reports to convert the expenditure to an outstanding debt, despite the committee's prior payment? Any such requirement would be unduly burdensome for committees and arguably reduce public transparency.

As the Committee's reporting related to this uncashed check was fully transparent and represented a good faith effort to fulfill its disclosure obligations, it does not represent a material violation of the FCPA.

## B. Failure to report GBAO vendor invoice agreement as an outstanding debt.

Mr. Morgan alleges that the Committee failed to report an outstanding debt to vendor GBAO based on a purchase agreement entered into between WEA and the vendor on January 21, 2023.

As discussed in greater detail below, Mr. Morgan's allegation is based on a lack of understanding of the records reviewed during his November inspection of WEA PAC's books of accounts. The GBAO "invoice" at issue was a WEA purchase authorization that included consulting and qualitative research related to WEA members' participation in WEA PAC, as well as costs associated with an internal member survey, and other non-PAC, non-reportable services. <sup>11</sup> On March 10, WEA received an invoice for the first portion of the purchase agreement, in the amount of \$58,900. Because the services provided under this portion of the purchase agreement related to WEA PAC, the Committee reported these services as an in-kind contribution from WEA and included the contribution on its March 2023 C-4 report. <sup>12</sup> As WEA was not invoiced for these services until March, WEA PAC had no outstanding debt to report based on the purchase agreement alone. And because WEA paid the invoice within the March reporting period, it was properly reported as an in-kind contribution from WEA that same month. The remaining invoices

<sup>&</sup>lt;sup>11</sup> This record was included in the Committee's books of accounts as documentation of the \$58,900 in-kind contribution from WEA to WEA PAC for GBAO's independent consulting services.

<sup>&</sup>lt;sup>12</sup> PDC Report No. 110142830.

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under the GBAO purchase agreement did not involve reportable PAC expenditures and therefore were not reported as debt, in-kind contributions, or direct expenditures.<sup>13</sup>

As WEA PAC reported the services from GBAO that were in-kinded from WEA, there was no violation of RCW 42.17A.240 or WAC 390-16-042.

## III. Failure to report expenditures or disclose the name of vendors in violation of RCW 42.17A.240.

#### A. WEA PAC books of account included WEA records.

Mr. Morgan alleges that evidence uncovered during his November 2, 2023, inspection of WEA PAC's books shows that WEA PAC has failed to report certain expenditures made by the Committee. While Mr. Morgan's specific allegations will be addressed in turn, they are largely based on 1) the unavoidable or inadvertent inclusion of records reflecting WEA expenses in the books of account for WEA PAC; and 2) Mr. Morgan's misattribution of WEA expenses to WEA PAC.

WEA PAC's books of account included numerous invoices, reimbursement requests, receipts, and other documentation reflecting expenses incurred by WEA and in-kinded to the Committee. In many cases, such as in the GBAO example described above, some, but not all, of the itemized expenses listed on a given document reflected in-kind contributions to WEA PAC. The remaining expenses were WEA purchases made for non-PAC purposes. As a result, not every document reviewed by Mr. Morgan reflected a reportable expenditure by the Committee. Additionally, routine in-kind contributions from WEA to WEA PAC for shared staff and overhead are typically reported by WEA PAC not as individual line items but rather as larger categories. Thus, some expenses identified by Mr. Morgan were in fact reported by the PAC, but were aggregated with other expenses.

#### **B.** Example 1: Impactive Solutions Invoices

Mr. Morgan's allegation appears to be that in-kind contributions from WEA to WEA PAC related to services provided by Impactive Solutions were not reported fully or accurately. Specifically, Mr. Morgan alleges that expenditures were reported on the "wrong date" and with an "unclear description."

According to WAC 390-05-215, in-kind contributions are not strictly reportable on the date that the in-kind contributor incurred the expenditure. Rather, receipt of the contribution is deemed to occur on the earliest date when the campaign obtains possession of the contribution; is informed of or becomes aware of the contribution; or the contribution becomes available for use. WAC 390-05-215(2). This date could fall before or after the date that the in-kind contributor in fact pays for the contribution. As raised and discussed in Mr. Morgan's June 15, 2023, complaint against WEA PAC,<sup>14</sup> the FCPA and PDC rules and interpretations do not clearly address what information must be included in the description of an in-kind contribution. WAC 390-16-207 describing the reporting requirements for in-kind contributions

<sup>&</sup>lt;sup>13</sup> Copies of WEA checks issued under later GBAO invoices appear to have been included in the PAC's books of account because they were filed with the GBAO purchase agreement. However, the \$30,000 and \$10,000 payments under the purchase agreement were not attributable to the PAC. It should be noted that Aimee Iverson is both the Executive Director of WEA and the Treasurer of WEA PAC; thus, her signature appears on both WEA and WEA PAC checks.

<sup>14</sup> PDC Case No. 139384.

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merely states that if the reporting threshold is met, "in kind contributions must be reported in part 1 of Schedule B to the C-4 report." Part 1 of Schedule B prompts filers to provide the name and address of the contributor and a description of the in-kind received, but makes no mention of what vendor information is required. PDC website guidance has inconsistently stated that committees reporting in-kind contributions of goods or services purchased from a vendor should include the address of the vendor. And, as the agency itself has argued in court, PDC guidelines "are the agency's opinion only and cannot be violated or enforced." *Wash. Educ. Ass'n v. Wash. St. Pub. Disclosure Comm'n*, 150 Wn.2d 612, 614-25 (2003) (en banc) (dismissing suit by WEA as seeking an advisory opinion because PDC guidelines "have no legal or regulatory effect and implicate no one's legal interests.").

The Impactive Solutions/Outvote payments raised by Mr. Morgan relate to a texting service known as Outvote<sup>16</sup> for which WEA pays a monthly license fee. This texting service is used for internal member communications, including occasional member fundraising for WEA PAC. While internal member communications are not reportable, the PAC has erred on the side of reporting an in-kind contribution from WEA for the Outvote service when used for internal PAC fundraising. At issue in Mr. Morgan's allegations are WEA PAC's reporting of in-kinds from WEA for the value of payments to Impactive in May and June 2023. In each case, Mr. Morgan took issue with the mismatch between the date on which WEA paid its invoices for Outvote and the date on which WEA PAC reported receipt of an in-kind contribution from WEA. But, as WAC 390-05-215 indicates, the date on which an in-kind contribution is deemed to occur is not strictly the date on which the in-kind contributor made the expenditure. Here, where the Outvote service is a routine monthly payment for WEA and further reconciliation may be necessary to determine whether and to what degree it was in fact used for PAC purposes in a particular month, there is an understandable delay between WEA's payment to Outvote and its reporting by WEA PAC. In any case, the in-kind contribution was reported no later than the following C-4 report, and such reporting was not obligated by the FCPA because it fell within the exception for internal member communications.

While the Outvote brand is distinct and readily identifiable as a service of Impactive Solutions, WEA PAC will correct future reporting to list Impactive Solutions as the vendor for the Outvote service. Because these expenditures involved internal member communications and were not strictly reportable, any shortcomings in the Committee's reporting has had a negligible impact on the public and should not result in a material violation.

#### C. Example 2: Crystal Fincher Report

As discussed above, Mr. Morgan's insistence that in-kind contributions must be reported on the date of vendor payment by the in-kind contributor is at odds with the language of WAC 390-05-215. Other issues raised related to the reporting of in-kind contributions from 2018-2023 are already being investigated by the PDC as part of Case No. 139384. WEA PAC continues to await the PDC's response to the substance of Mr. Morgan's allegations in that case and requests that the PDC take care to avoid duplicating its investigative efforts because of Mr. Morgan's overlapping complaints.

<sup>15</sup> See https://www.pdc.wa.gov/registration-reporting/candidates-committees/contributions/kind-contributions/.

<sup>&</sup>lt;sup>16</sup> Both the texting service and the company providing it were originally named Outvote. However, the company has rebranded as "Impactive Solutions" and continues to offer the Outvote-branded service.

### D. Examples 3-4: Global Experience Specialists Invoice and Fire Marshal Permit

Mr. Morgan alleges that WEA PAC failed to report a \$62,184.59 payment to Global Experience Specialists (GES) on June 12, 2023. This payment was made by WEA, not WEA PAC, and was for numerous event-related expenses for the 2023 WEA Representative Assembly held at the Spokane Convention Center. Of these expenses, a \$4,336.52 equipment rental was attributable to a WEA PAC event held during the Assembly. This subset of the GES payment was included and reported on the PAC's June C-4 report as part of a larger in-kind contribution from WEA for meeting expenses with an aggregate value of \$5,226.66. The fire marshal permit was a specific line item on the GES invoice for the WEA RA event and constituted a subset of the \$62,18459 payment to GES. The fire permit was not specifically attributable to the WEA PAC event and was not reported by WEA PAC as an in-kind contribution from WEA.

As the portion of these expenses attributable to WEA PAC were timely reported, there was no violation of RCW 42.17A.240.

#### E. Examples 5-6: Payments to Emily Hansen and Julian Quinonez

Mr. Morgan alleges that WEA PAC failed to report payments made on September 5, 2023, to WEA staff member Emily Hansen and WEA staff member Julian Quinonez. Both of these payments were reimbursements from WEA for expenses incurred in August including but not limited to PAC expenses. Reimbursed expenses attributable to the PAC included small-dollar payments for transportation, mileage, parking, meals, and miscellaneous expenses. An in-kind contribution from WEA representing \$197.42 in reimbursements to Hansen and \$674.60 in reimbursements to Quinonez were included in the \$3,053.43 in in-kind meeting expenses reported by WEA PAC on its August 2023 C-4. It is the Committee's understanding that in-kind contributions reflecting routine reimbursements to WEA staff and members for PAC-related expenses do not need to be separately itemized by staff member and/or individual expense. However, the Committee has and will continue to maintain records of these reimbursements in its books of account available for public inspection.

As the portion of these expenses attributable to the PAC were timely reported, there was no violation of RCW 42.17A.240.

## F. Examples 7-8: Payment to Jill Dahlen and Kathleen Heiman

Mr. Morgan alleges that WEA PAC failed to report a \$580.36 payment to Jill Dahlen, WEA event staff, and a \$650 payment to Kathleen Heiman, a former WEA staff member, both occurring on September 5, 2023. The \$580.36 payment to Dahlen served as reimbursement for food and other purchases that Dahlen made for three internal WEA meetings and events. The \$650 payment to Heiman was a supplemental reimbursement for retiree health insurance. Neither of these payments is attributable to WEA PAC and the WEA records viewed by Mr. Morgan were inadvertently included in the PAC's books of account.

<sup>&</sup>lt;sup>17</sup> PDC Report No. 110158521.

<sup>&</sup>lt;sup>18</sup> PDC Report No. 110189246 (amended report).

As these expenditures were not in-kind contributions to WEA PAC, the Committee's failure to report them did not violate RCW 42.17A.240.

#### G. Examples 9-27: WEA PAC Meeting Expenses

Mr. Morgan alleges that WEA PAC failed to report reimbursements to school districts to facilitate WEA PAC board members' attendance at WEA PAC meetings. Mr. Morgan identified 19 examples of such reimbursements occurring in 2023 but further alleges that WEA PAC failed to report similar reimbursements in past years.

These expenditures are routinely reported as meeting expenses in-kinded from WEA to WEA PAC. To the extent that Mr. Morgan believes that additional information was required to be disclosed related to these in-kinds, this issue is already before the PDC in Case No. 139384.

#### IV. Failure to disclose pledges in violation of RCW 42.17A.240(2).

## A. Pledge reporting requirements

Political committees are required to report the name and address of each person making a contribution along with the value and date of the contribution and the aggregate value of all contributions received from each person during the campaign. RCW 42.17A.240. A contribution includes a pledge, defined as "a promise to make a future contribution." RCW 42.17A.005(15)(a)(i); WAC 390-16-245. However, a pledge is not reportable if it is less than \$150 dollars. RCW 42.17A.240(2); WAC 390-05-305. PDC Interpretation No. 12-01 states: "To be considered a pledge for purposes of reporting requirements and contribution limits, the promise must be for a specific amount if a monetary pledge or for specific goods or services if an in-kind pledge and the contributor must intend to pay the pledged amount in its entirety." 19

### **B.** WEA support for WEA PAC

Mr. Morgan has not pointed to any specific examples of in-kind contributions from WEA to WEA PAC that he alleges should have been earlier reported as pledges. Mr. Morgan's generic allegation do not constitute a violation of RCW 42.17A.240.

#### C. WEA PAC member payroll deductions

Mr. Morgan alleges that monthly recurring contributions via payroll deduction from WEA PAC members are reportable as pledges to the Committee. However, there is no basis in the FCPA for such a requirement. First, these payments can be terminated at any time. *See* WAC 390-17-100. It is impossible to determine how long recurring contributions will continue or the total amount that may eventually be contributed. Thus, these recurring contributions are not a promise to pay a "specific amount" for purposes of PDC Interpretation No. 12-01. Political committees routinely collect recurring monthly contributions,<sup>20</sup> and the Committee could find no indication that the PDC views these recurring contributions as reportable

<sup>19</sup> https://www.pdc.wa.gov/rules-enforcement/guidelines-restrictions/distinguishing-kind-loans-debt-and-pledges.

<sup>&</sup>lt;sup>20</sup> See, e.g., the contribution pages for Washington gubernatorial candidates Dave Reichert and Semi Bird https://www.efundraisingconnections.com/c/DaveReichert; https://secure.winred.com/bird-for-governor/donate-today.

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pledges. Second, even if a recurring monthly contribution were viewed as triggering a pledge for the following month alone, a slightly less infeasible version of Mr. Morgan's proposed requirement, virtually all of WEA PAC's monthly member contributions would fall below the \$150 threshold. See RCW 42.17A.240(2). Thus, they would fall well short of needing to be reported. It is also not clear what reporting these recurring contributions as pledges would do to improve public transparency as the Committee discloses information pertaining to each contributor each time a monthly contribution is received.

Mr. Morgan's allegation does not constitute a violation of RCW 42.17A.240 because there is no requirement that recurring contributions be reported as pledges.

## V. Failure to disclose occupation information in violation of RCW 42.17A.240 and WAC 390-16-034.

Mr. Morgan claims that WEA PAC has failed to provide accurate occupation information for a list of contributors, some but not all of whom gave more than \$250 in 2023. WAC 390-16-034 adds occupation and employer to the information required to be reported for persons making contributions in an aggregate amount of more than \$250 under RCW 42.17A.240.

Two factors beyond the Committee's immediate control have resulted in "other" appearing in PDC reports as the occupation for a small subset of its thousands of contributors. First, contributors are responsible for providing occupation information, and the Committee cannot always identify or correct inaccurate information furnished by contributors themselves. Second, the Committee believes that there is a technical malfunction occurring when filings generated through WEA PAC's Quorum Software Database are e-filed with the PDC that is resulting in "other" overriding the occupation information that WEA PAC has in fact provided.<sup>21</sup>

For the 34 cases identified by Mr. Morgan in which a contributor's aggregate 2023 contributions exceeded \$250, occupation information appeared on at least one C-4 report for 25 of the contributors, each of whom was a recurring donor. Again, it is not clear why this information is not consistently appearing in the Committee's final filed reports, but it appears to be a result of a technical malfunction beyond the Committee's control. For an additional two contributors, occupation information was inadvertently included in the employer field rather than the occupation field but was otherwise provided. In any case, the Committee's reporting of "other" for seven out of its thousands of 2023 contributors rises to the level of a material violation of RCW 42.17A.240 and WAC 390-16-034, particularly as these contributors are clearly school district employees, university and college employees, or WEA employees. WEA PAC's contributors must be WEA members.

# VI. Failure to include names and addresses of subvendors for in-kind contributions from June 15, 2023 to present in violation of RCW 42.17A.240.

Mr. Morgan reiterates his June 15, 2023, allegation that WEA PAC has failed to provide adequate information related to in-kind contributions received from WEA, including vendor names and addresses. Mr. Morgan also specifically alleges that WEA PAC failed to provide vendor information for the in-kind

<sup>&</sup>lt;sup>21</sup> The Committee can provide examples of these reports on request for comparison to the PDC's reports.

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contribution of legal services and failed to provide an address for Facebook, the dates a Facebook advertisement ran, and the number of impressions generated by the Facebook advertisement.<sup>22</sup>

WEA PAC reiterates its prior response to Mr. Morgan's allegations related to the reporting of inkind contributions in Case No. 139384. The Committee continues to await the PDC's response to these allegations. In the meantime, the Committee has understandably not made interim changes to its reporting to comply with Mr. Morgan's interpretation of the law.

Mr. Morgan's specific allegations related to the reporting of Facebook advertising misstates the requirements of the FCPA. The requirement to provide the dates on which an advertisement is run is limited to special reporting of political advertising that constitutes an independent expenditure, *see* RCW 42.17A.260(2)(d) or electioneering communication, *see* RCW 42.17A.305(1)(e).<sup>23</sup> Here, the \$411.31 payment for Facebook advertising falls short of the threshold to be considered a specially reportable independent expenditure or an electioneering communication because it is less than \$2,000. Similarly, the number of impressions is a recordkeeping requirement for commercial advertisers, not a reporting requirement for recipients of in-kind contributions of online advertising. *See* WAC 390-18-050(7)(g). Thus, there is no requirement that a political committee proactively report such information.

WEA PAC's failure to include additional details related to Facebook advertising is not a violation of RCW 42.17A.240.

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As described above, Mr. Morgan's latest set of allegations against WEA PAC rest largely on misinterpretations of documents viewed during his November 2, 2023, inspection of the Committee's records and flawed readings of the FCPA. The Committee has already taken action to address the public posting of the endorsement explainer video created for a member audience. In light of WEA PAC's good faith efforts to comply with the FCPA, the Committee asks that this complaint be administratively resolved.

Please contact us with any questions or concerns at (206) 644-6002.

Sincerely,

Abby Lawlor

Danielle Franco-Malone

Counsel for Washington Education Association PAC

<sup>&</sup>lt;sup>22</sup> See PDC Report No. 110193671.

<sup>&</sup>lt;sup>23</sup> It is also a recordkeeping requirement for commercial advertisers. See WAC 390-18-050(6)(d).