

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

November 21, 2024

Delivered electronically to Barnard, Iglitzin & Lavitt LLP, for Electrical Workers 46 PAC, iglitzin@workerlaw.com, defilippis@workerlaw.com, delipeis@workerlaw.com, <a href="mailto:delipeis@workerla

Subject: Complaints filed by Glen Morgan and Conner Edwards, PDC Case 153421

Dear Electrical Workers 46 PAC:

Below is a copy of an electronic letter sent to Glen Morgan and Conner Edwards concerning complaints filed with the Public Disclosure Commission (PDC).

As noted in the letter to Messrs. Morgan and Edwards, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1).

Electrical Workers 46 PAC completed a Statement of Understanding (SOU) and paid a \$450 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging violations of RCW 42.17A.235 and .240 for failing to timely and accurately report expenditures and contributions, in calendar years 2019, 2020, 2021, 2022 and 2023, on the Cash Receipts, Monetary Contributions (C-3) and Receipts & Expenditure Summary (C-4) reports. The \$450 penalty assessed resolves the allegations listed in the complaints.

As well, pursuant to <u>WAC 390-37-060(1)(d)</u>, this serves as a formal written warning concerning your failure to comply with RCW 42.17A.235(8) for maintaining books of account, bills, receipts and all other financial records of the political committee for not less than five calendar years; and RCW 42.17A.220(4) for accepting over-limit anonymous contributions in 2020. The Electrical Workers 46 PAC escheated to the State of Washington a total of \$79.50 which is the excess for over-limit anonymous contributions accepted in 2020. The Commission will consider this 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 Tanya Mercier, Compliance Officer, by e-mail at pdc@pdc.wa.gov.

Sincerely,

Endorsed by,

/s/ Electronically Signed
Tanya Mercier
Compliance Officer

/s/ Electronically signed
Peter Frey Lavallee
Executive Director



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November 21, 2024

Delivered electronically to Glen Morgan at <u>glen@wethegoverned.com</u> and Conner Edwards at <u>cg.edwards53@gmail.com</u>

Subject: Complaint regarding Electrical Workers 46 PAC, PDC Case 153421

Dear Messrs Morgan and Edwards:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on April 29, 2024, and August 5, 2024. The complaints alleged that Electrical Workers 46 PAC, a political committee, may have violated RCW 42.17A.235, .240, and WAC 390-16-034 for failure to timely and accurately file *Cash Receipts Monetary Contributions* reports (C-3 reports) and *Campaign Summary Receipts & Expenditures* reports (C-4 reports), disclosing contributions and expenditures undertaken by the committee, as well as failing to report employer information for contributions over \$100 in aggregate; and RCW 42.17A.220 for accepting over-limit anonymous contributions.

PDC staff reviewed the allegations and evidence you submitted; the applicable statutes, rules, and reporting requirements; the response(s) provided by the Electrical Workers 46 PAC (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.

Background & Findings

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

- Since 2017, the Respondent has operated as a continuing committee registered with the PDC under the Full Reporting option. The Respondent accepted contributions from members, but did not participate in elections between 2018 through 2022 due to reduced staff capacity and COVID. Up until 2017, as well as during 2023, the Respondent accepted contributions from members and took part in elections by making expenditures in the form of contributions to candidates and political action committees.
- The Respondent filed the following amended reports on May 9, 2024, for calendar year 2023. These reports, which were filed between five and 11 months late, totaled \$32,150 in expenditures and \$34,809.50 in receipts:

- C-4 #110213848, which amended report #110145452 to show expenditures not previously reported for a monetary contribution to the campaign Elect Denise Yun, paid on May 26, 2023, for \$950.
- C-4 #110213849, which amended report #110149882 to show previously undisclosed receipts received totaling \$3,337.50 deposited on June 9, 2023, and expenditures totaling \$3,900. The expenditures were made as monetary contributions on June 8, 2023, to the following campaigns: \$300 for Neighbors for Nilu; \$2,000 for Sarah for King County; and \$1,200 for Re-Elect Ed Prince. Additionally, the amended report included the following expenditure from June 15, 2023: \$400 for People for Teresa.
- C-4 #110213850, which amended report #110158028 to show receipts totaling \$402, deposited on July 17, 2023, and two previously undisclosed expenditures made as two separate \$3,000 contributions to Voices United PAC, on July 25, 2023.
- C-4 #110213852, which amended report #110173820 to show a previously undisclosed expenditure in the form of a monetary contribution to Bob Ferguson for Governor, on September 27, for \$3,300.
- C-4 #110213853, which amended report #110176146 to show receipts totaling \$30,437.00, deposited October 12, 2023, and previously undisclosed expenditures made as monetary contributions on October 23, 2023, to the campaigns Elect Kate4Tukwila Committee, for \$1,200, and Elect Greg Baruso, for \$1,200.
- o C-4 #110213854, which amended report #110187245 to show receipts totaling \$633, deposited November 27, 2023, and \$15,600 in expenditures made in the form of monetary contributions to the following campaigns:
 - \$2,400 to People for Rebecca Saldana and \$2,400 to Elect Kristine Reeves on November 18, 2023; and
 - \$2,400 to Elect Debra Entenman, \$2,400 to Hackney for the 11th, \$2,400 to Friends of Tana Senn, and \$2,400 to Elect Jamila Taylor all on November 21, 2023.
 - The campaign of Friends of Julia Reed received \$1,200 on November 29, 2023.
- The PDC acknowledges the contributions received by the Respondent were reported timely on the applicable C-3 reports.
- During 2023, the receipt and expenditure information was timely data entered into the Online Reporting of Campaign Activity (ORCA) system, but the Respondent did not submit the data to amend earlier reports. This omission deprived the public of critical information prior to elections in 2023.
- The Respondent, upon realizing the reporting issues in the 2023 reports, conducted an audit of prior years' reports and realized there were many missing reports for earlier campaigns. Once alerted, the Respondent was very responsive in amending earlier-filed reports and submitting reports for periods that had not been reported timely. Reports submitted by the Respondent for calendar years 2017 and 2018, and filed late, are beyond the scope of the investigation due to the statute of limitations being exceeded, but the correction of these reports, in August 2024, was necessary to ensure the reporting was accurate moving forward. In calendar years 2019, 2020, 2021, and 2022 the Respondent did not file any C-3 and C-4 reports reflecting contributions and operational expenditures. In the years 2019 through 2022 the contributions and the expenditures combined never exceeded \$3,000 each year. The Respondent filed reports for the years of 2019 through 2022 on August 5, 2024.

- Regarding the alleged unknown contributions, the Respondent asserts, through its counsel, that it is and has always been entirely funded by contributions from IBEW Local 46 members and there is no evidence to show otherwise. To accurately file reports from 2018 to 2022, the Respondent obtained bank statements and records for all IBEW Local 46 member contributions to the PAC from 2018 to 2022. The Respondent has said that for most of the deposits shown on the bank statements for this period, there was a direct correlation to specific membership contributions within the same month. Unfortunately, during this period there were deposits made into the PAC bank account after the month the members made the correlating contributions and in these limited instances, the Respondent cannot say with certainty which IBEW Local 46 members contributed the money. These contributions are identified as "unknown" in the PDC reporting.
 - o In 2020, the limit for accepting anonymous contributions was \$300.
 - On September 11, 2024, PDC staff received a check to the State of Washington from the Electrical Workers 46 PAC for \$79.50, which is the excess anonymous contributions received during calendar year 2020. The escheatment resolves the allegation of accepting over-limit anonymous contributions.
- Allegation of a violation pertaining to materials from 2017 and 2018 are beyond the statute of limitations per RCW 42.17A.235(8).
- The Respondent does not have any similar violations or warnings of PDC requirements.

Summary and Resolution

It appears the Respondent is unsophisticated and small. The PAC is entirely funded by individual members and is managed by a small group of individuals. Inexperience and good-faith errors in reporting activity were the cause of the noncompliance. The Respondent states that "it acknowledges its past errors and now understand and recognizes its responsibilities under the FCPA [Fair Campaign Practices Act]."

Electrical Workers 46 PAC completed a Statement of Understanding (SOU) and paid a \$450 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging violations of RCW 42.17A.235 and .240 for failing to timely and accurately report expenditures and contributions, in calendar years 2019, 2020, 2021, 2022 and 2023, on the Cash Receipts, Monetary Contributions (C-3) and Receipts & Expenditure Summary (C-4) reports. The \$450 penalty assessed resolves the corresponding allegations in the complaints.

As well, pursuant to <u>WAC 390-37-060(1)(d)</u>, the Electrical Workers 46 PAC will receive a formal written warning concerning their failure to comply with RCW 42.17A.235(8) for maintaining books of account, bills, receipts and all other financial records of the political committee for not less than five calendar years; and RCW 42.17A.220(4) for accepting over-limit anonymous contributions in 2020. The Commission will consider this 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 Tanya Mercier, Compliance Officer by e-mail at pdc@pdc.wa.gov.

Sincerely,

/s/ Electronically signed
Tanya Mercier
Compliance Officer

Endorsed by,

/s/ Electronically signed
Peter Frey Lavallee
Executive Director

ce: Barnard, Iglitzin & Lavitt, LLP Electrical Workers 46 PAC