

To: Tony Perkins
Investigator, Campaign Finance Unit
Washington State Attorney General's Office
1125 Washington Street SE
PO Box 40100
Olympia, WA 98504-0100

Cc: Micaiah Titus Ragins
Compliance Coordinator
Public Disclosure Commission
pdc@pdc.wa.gov
1.360.753.1111

Re: RCW 42.17A.765(4) Notice Filed By Glen Morgan (19th District Democrats)

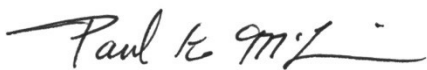
Dear Mr. Perkins:

We write to you today in response to the allegations in the complaint submitted by Glen Morgan on October 16, 2017. The complaint alleges that the 19th District Democrats have habitually and willfully committed frequent and multiple violations of RCW 42.17A. Please consider our responses during this initial review.

Noting the number of late filings for 2017: 58% were 1 day late, 75% 2 days or less and 92% 3 days or less. Also, all but 1 C3 and 1 C4 were for bank interest in the amounts of \$0.12 or \$0.13. 1 C3 and C4 included membership dues of \$210. It is inconceivable that any of these filings could be construed to be *with malicious intent*.

We strive to achieve complete compliance with all reporting requirements. It does seem to us that even the "valid" complaints concern minor matters and technical issues, as contrasted with intentional conduct designed to conceal pertinent information from voters. Nonetheless, we have taken the identification of these issues as a learning opportunity look forward to ensuring compliance with all RCW's, WAC's, and PDC interpretations in the future. We assert that none of the violations listed are of sufficient magnitude to warrant the criminal prosecution that Mr. Morgan is seeking.

Respectfully,



Paul K. McLain
19th Democratic LD Treasurer



Tiffany Turner
19th Democratic LD Chair

1) Failure to file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)

State law requires that candidates and committees file frequent, accurate reports of contributions, expenditures, in-kind contributions, and debt. Unfortunately, the 19th LD Democrats have failed on numerous occasions to do this. (See Exhibits A - "Illegally late reported C3 and C4 reports")

It is important to note that in 2016, the Committee did not file a single C3 or C4 report until AFTER the election, despite being obligated to do full reporting. This is a very serious violation of state law.

Regarding the failure to file any reports in 2016, that matter was addressed in a letter to Jennifer Hansen at the PDC on Monday, January 9, 2017 (attached). All transactions have been identified and reported via ORCA C3's & C4's. Fiscal year 2016 reporting has been finalized with all financial documentation and ORCA reporting in agreement.

We acknowledge the claim regarding late filings of C3's & C4's. Line items 17, 19 & 28 were not filed on the Monday following the deposit of the received funds due to the fact that the filing requirement during campaigns was unknown by the treasurer at the time. All other late filings are due to lapses in attentiveness to the required filing date.

2) Failure to properly break down, describe expenses. (Violation of RCW 42.17A.235, see WAC 390-16-205, WAC 390-16-037)

Unaware of subvendor requirement. Have corrected C4's for 2016 & 2017 concerning payment for food for the 19th annual picnic on November 6, 2017.

Exhibit A -- Illegally Late filed C3 and C4 reports

Approximate Cumulative Days Late -- 2973								Response
Violation #	Report #	Report Type	Amended? Y/N	Deposit Date	Due Date	Day Reported	Approximate Days Late	
1	100740127	C4	N		2/10/2016	1/7/2017	332	See attached letter to PDC dated 20170109
2	100740128	C4	N		3/10/2016	1/7/2017	303	See attached letter to PDC dated 20170109
3	100740121	C3	N	2/29/2016	3/10/2016	1/7/2017	303	See attached letter to PDC dated 20170109
4	100740129	C4	N		4/11/2016	1/7/2017	271	See attached letter to PDC dated 20170109
5	100740130	C4	N		5/10/2016	1/7/2017	242	See attached letter to PDC dated 20170109
6	100740122	C3	N	4/11/2016	5/10/2016	1/7/2017	242	See attached letter to PDC dated 20170109
7	100740131	C4	N		6/10/2016	1/7/2017	211	See attached letter to PDC dated 20170109
8	100740123	C3	N	6/30/2016	7/4/2016	1/7/2017	187	See attached letter to PDC dated 20170109
9	100740132	C4	N		7/12/2016	1/7/2017	179	See attached letter to PDC dated 20170109
10	100740133	C4	N		7/26/2016	1/7/2017	165	See attached letter to PDC dated 20170109
11	100740124	C3	N	8/24/2016	8/29/2016	1/7/2017	131	See attached letter to PDC dated 20170109
12	100740134	C4	N		9/12/2016	1/7/2017	117	See attached letter to PDC dated 20170109
13	100740126	C3	N	10/3/2016	10/10/2016	1/7/2017	89	See attached letter to PDC dated 20170109
14	100740135	C4	N		10/18/2016	1/7/2017	81	See attached letter to PDC dated 20170109
15	100740136	C4	N		11/1/2016	1/7/2017	67	See attached letter to PDC dated 20170109
16	100740137	C4	N		12/12/2016	1/7/2017	26	See attached letter to PDC dated 20170109
17	100774925	C3	N	6/30/2017	7/3/2017	7/13/2017	10	Was not aware of the RCW 42.17A.235 Monday reporting requirement at the time. (\$0.12 bank interest)
18	100752553	C4	N		3/10/2017	3/13/2017	3	Acknowledged (\$0.12 bank interest)
19	100790537	C3	N	9/30/2017	10/2/2017	10/5/2017	3	Was not aware of the RCW 42.17A.235 Monday reporting requirement at the time. (\$0.12 bank interest)
20	100774926	C4	N		7/11/2017	7/13/2017	2	Acknowledged (\$0.12 bank interest)
21	100781565	C3	N	7/31/2017	8/7/2017	8/9/2017	2	Acknowledged (\$0.13 bank interest)
22	100756195	C4	N		4/10/2017	4/11/2017	1	Acknowledged (\$210 membership dues & \$0.13 bank interest)
23	100767719	C4	N		6/10/2017	6/11/2017	1	Acknowledged (\$0.13 bank interest)
24	100778983	C4	N		7/25/2017	7/26/2017	1	Acknowledged (\$0.00 activity)
25	100756194	C3	N	3/31/2017	4/10/2017	4/11/2017	1	Acknowledged (\$0.13 bank interest)
26	100756193	C3	N	3/20/2017	4/10/2017	4/11/2017	1	Acknowledged (\$210.00 membership dues)
27	100767718	C3	N	5/31/2017	6/10/2017	6/11/2017	1	Acknowledged (\$0.13 bank interest)
28	100785084	C3	N	8/31/2017	9/4/2017	9/5/2017	1	Was not aware of the RCW 42.17A.235 Monday reporting requirement at the time. (\$0.13 bank interest)



To: Washington State Public Disclosure Commission
c/o Jennifer Hansen
(jennifer.hansen@pdc.wa.gov) / (360) 586-4560
711 Capitol Way #206
PO BOX 40908
Olympia, WA 98504-0908

Monday, January 9, 2017

From: Paul McLain (cowlitz-dem@earthlink.net) / (360) 425-7840
19th Democratic Legislative District Treasurer
PO Box 185
Kelso, WA 98626-0017

Re: Failure to change from *Mini* to *Full* reporting

As the new elected (Saturday, December 3, 2016) Treasurer it has been brought to my attention that due to the receipt of a contribution to the committee exceeding \$500 during the 2016 fiscal year the previous treasurer failed to change our "Mini" reporting option to "Full" reporting.

This omission was due to the recruitment of a person to execute the duties of treasurer for which she was ill prepared and was given inadequate direction by the previous treasurer and then left to her own devices.

As a result of inadequate training and lack of support, the PDC requirements regarding contributions and reporting levels were missed.

All transactions have been identified and reported via ORCA C3's & C4's. Fiscal year 2016 reporting has been finalized with all financial documentation and ORCA reporting in agreement.

The 19th Democratic Legislative District looks forward to a smooth, accurate, on time and proper level of reporting in the future.

Respectfully,

A handwritten signature in black ink that reads "Paul K. McLain". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

Paul K. McLain
19th LD Democratic Treasurer

Exhibit B -- Illegal Failure to breakdown expenditures.

Approximate Cumulative Days Late --		432	As of --		10/15/2017			Response
Violation #	Vendor	Date	Amount	Description	Violation	Report #	Approx. days late as of today	
1	SUSAN O'CONNOR	8/23/2016	\$ 178.30	ANNUAL PICNIC FOOD & SUPPLIES	Failure to identify subvendor	100740134	398	Amended C4 on 20171106 Conf # 100798984
2	WAHAKIAKUM DEMOCRATS	8/20/2017	\$ 63.65	FOOD FOR 19TH LD ANNUAL PICNIC	Failure to identify subvendor	100785085	34	Amended C4 on 20171106 Conf # 100798997
Total			\$ 241.95					

From: pdc@pdc.wa.gov
Sent: Monday, November 06, 2017 10:38 AM
To: cowlitz-dem@earthlink.net
Subject: Electronic Filing Confirmation

19TH LEGISLATIVE DISTRICT DEMOCRATS (19THLD 527): Your C4 for the period 07-26-2016 - 08-31-2016 was successfully transmitted on Mon Nov 06 10:38:01 PST 2017 with confirmation # 100798984

**SUMMARY, FULL REPORT
RECEIPTS AND
EXPENDITURES**

C4
(1/12)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

19th Legislative District Democrats

Mailing Address

PO Box 185

City

Kelso

Zip +4

98626-0017

Office Sought (Candidates)

2016

Report Period

From (last C-4)

To (end of period)

Final Report?

Covered

07/26/2016

08/31/2016

Yes

No

X

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

RECEIPTS

*See next page

Yes

No

X

1. Previous total cash and in kind contributions (From line 8, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) \$3,078.85
2. Cash received (From line 2, Schedule A) \$102.00
3. In kind contributions received (From line 1, Schedule B) \$0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3) \$102.00
5. Loan principal repayments made (From line 2, Schedule L) \$0.00
6. Corrections (From line 1 or 3, Schedule C) Show + or (-) \$0.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-) \$0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) \$3,180.85
9. Total pledge payments due (From line 2, Schedule B) \$0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) \$0.00
11. Total cash expenditures (From line 4, Schedule A) \$178.30
12. In kind expenditures (goods & services) (From line 1, Schedule B) \$0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) \$178.30
14. Loan principal repayments made (From line 2, Schedule L) \$0.00
15. Corrections (From line 2 or 3, Schedule C) Show + or (-) \$0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-) \$0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) \$178.30

CANDIDATES ONLY

Name not

Won

Lost

Unopposed

on ballot

Primary election

☐☐☐☐

General election

☐☐☐☐

Treasurer's Daytime Telephone No.:

(360) 425-7840

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) \$3,002.55
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) \$0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19) \$3,002.55

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A
(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)

19th Legislative District Democrats

Report Date

07/26/2016 08/31/2016

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
08/24/2016	\$102.00					\$
2. TOTAL CASH RECEIPTS						Enter also on line 2 of C4 \$ \$102.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed.

The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveller and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE
DEFINITIONS
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)
I - Independent Expenditures
L - Literature, Brochures, Printing
B - Broadcast Advertising (Radio, TV)
N - Newspaper and Periodical Advertising
O - Other Advertising (yard signs, buttons, etc.)
V - Voter Signature Gathering

P - Postage, Mailing Permits
S - Surveys and Polls
F - Fundraising Event Expenses
T - Travel, Accommodations, Meals
M - Management/Consulting Services
W - Wages, Salaries, Benefits
G - General Operation and Overhead

3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below.
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	\$0.00
08/23/2016	SUSAN O'CONNOR 1320 W S R 4 Skamokawa WA 98647-9740		Annual Picnic food & supplies	\$178.30

Total from attached pages \$ \$0.00

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ \$178.30

Text Page Attachment

Name 19th Legislative District Democrats

This C4 for the 2016 reporting period 7/26/2016-8/31/2016 is being resubmitted to amend the expense to Susan O'Connor in the amount of 178.30, check 5001, on 8/23/2016 of food for the 19th LD picnic listing the subvendors of WinCo Foods and Skamokawa Resort.

cowlitz-dem

From: pdc@pdc.wa.gov
Sent: Monday, November 06, 2017 11:05 AM
To: cowlitz-dem@earthlink.net
Subject: Electronic Filing Confirmation

19TH LEGISLATIVE DISTRICT DEMOCRATS (19THLD 527): Your C4 for the period 07-25-2017 - 08-31-2017 was successfully transmitted on Mon Nov 06 11:04:33 PST 2017 with confirmation # 100798997

**SUMMARY, FULL REPORT
RECEIPTS AND
EXPENDITURES**

C4
(1/12)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

19th Legislative District Democrats

Mailing Address

PO Box 185

City

Kelso

Zip +4

98626-0017

Office Sought (Candidates)

2017

Report Period

From (last C-4)

To (end of period)

Final Report?

Covered

07/25/2017

08/31/2017

Yes

No

X

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

RECEIPTS

*See next page

Yes

No

X

1. Previous total cash and in kind contributions (From line 8, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) \$5,767.84
2. Cash received (From line 2, Schedule A) \$25.26
3. In kind contributions received (From line 1, Schedule B)..... \$0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3)..... \$25.26
5. Loan principal repayments made (From line 2, Schedule L)..... \$0.00
6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-) \$0.00
7. Net adjustments this period (Combine line 5 & 6)..... Show + or (-) \$0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) \$5,793.10
9. Total pledge payments due (From line 2, Schedule B) \$0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(if beginning a new campaign or calendar year, see instruction booklet) \$11.60
11. Total cash expenditures (From line 4, Schedule A) \$63.65
12. In kind expenditures (goods & services) (From line 1, Schedule B) \$0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)..... \$63.65
14. Loan principal repayments made (From line 2, Schedule L)..... \$0.00
15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-) \$0.00
16. Net adjustments this period (Combine lines 14 & 15)..... Show + or (-) \$0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)..... \$75.25

CANDIDATES ONLY

Name not

Won

Lost

Unopposed

on ballot

Primary election

☐☐☐☐

General election

☐☐☐☐

Treasurer's Daytime Telephone No.:

(360) 425-7840

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) \$5,717.85
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) \$0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19) \$5,717.85

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A
(11/93)

Candidate or Committee Name (Do not abbreviate. Use full name.)

19th Legislative District Democrats

Report Date

07/25/2017 08/31/2017

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
07/31/2017	\$0.13					\$
08/24/2017	\$25.00					
08/31/2017	\$0.13					

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ \$25.26

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed.

The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveller and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE
DEFINITIONS
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)
I - Independent Expenditures
L - Literature, Brochures, Printing
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S - Surveys and Polls
F - Fundraising Event Expenses
T - Travel, Accommodations, Meals
M - Management/Consulting Services
W - Wages, Salaries, Benefits
G - General Operation and Overhead

3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below.
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	\$0.00
08/20/2017	WAHKIAKUM DEMOCRATS 1377 W State Road 4 Skamokawa WA 98647-9740		Food for 19th LD Annual Picnic	\$63.65

Total from attached pages \$ \$0.00

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ \$63.65

Text Page Attachment

Name 19th Legislative District Democrats

This C4 for the 2017 reporting period 7/25/2017-8/31/2017 is being resubmitted to amend the expense to Wahkiakum Democrats in the amount of 63.65, check 3100, on 8/20/2017 of food for the 19th LD picnic listing the subvendor of WinCo Foods.