State of Washington
PUBLIC DISCLOSURE COMMISSION

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June 25, 2019

Delivered electronically to Glen Morgan at glen@wethegoverned.com

Subject: Complaint regarding the 19th Legislative District Democrats, PDC Case 27027

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 15, 2017. Your complaint alleged that the 19th Legislative District Democrats (Committee), a Continuing Bona Fide Political Party Committee, may have violated RCW 42.17A.235 by failing to timely and accurately file C-3 and C-4 reports, and RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205 by failing to properly report the purpose of expenditures as required by law.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the applicable C-3 and C-4 reports filed by the 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 28 C-3 and C-4 reports you attached in the spreadsheet. Staff found that nine of the reports were not required because they were standard legally accrued interest of between $0.12 and $0.13, on money deposited in the Committee's account which is not considered a contribution for reporting purposes. For the remaining 19 reports, eight were not required because the Committee was not statutorily required to file due to inactivity, and 11 were between one and 271 days late, accounting for $4,382.13 in contributions received and $178.30 in expenditures.

- In its response to this allegation, the Committee, by way of its treasurer and chair, stated, "noting the number of last filing for 2017: 58% were 1 day late, 75% 2 days late 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. It is inconceivable that any of these fillings could be construed to be *with malicious intent*."

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

- Staff reviewed the description of the two payments made to the two vendors/individuals on your spreadsheet. On August 23, 2016 and August 20, 2017, the Committee paid $178.30 and $65.65 for *annual picnic food and supplies* and *Wahkiakum democrats*, respectively. Staff found that the payments/expenses made for both

items, even though one expenditure was for a small amount of less than $100, lacked the sub-vendor information as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205.

- In its response to this allegation, the Committee, by way of its treasurer and chair, stated, "unaware of sub-vendor requirement. Have corrected C4's for 2016 & 2017 concerning payment for food for the 19th annual picnic on November 6, 2017."

As noted above, staff found that there were two expenditures made by the Committee either to an individual or entity for which a sub-vendor breakdown or description should have been provided. Staff also noted that there were 11 C-3 and C-4 reports that were reported late by the Committee. However, these deficiencies are mitigated by the fact that the Committee showed a good faith effort by amending its reports during this period to disclose additional information or correct inaccurate information in the interest of transparency. Additionally, the Committee has no prior violations.

Based on these findings staff has determined that, in this instance, the failure to file timely and accurate C-3 and C-4 reports, including failure to properly report the purpose of two expenditures, does not amount to an actual violation warranting further investigation.

However, staff is reminding the Committee about the importance of filing timely and accurate C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the Committee, including properly reporting the purpose of expenditures, specifically to include the number of items and sub-vendor information where applicable, 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

Sincerely,

s/_____
Erick Agina, Compliance Officer

Endorsed by,

s/_____
BG Sandahl, Deputy Director
For Peter Lavallee, Executive Director

cc: Paul McLain, Vice Chair/Treasurer for the 19th Legislative District Democrats
Jeffrey Nichols, Campaign Manager