

LAURA EWAN
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Sent via email to pdc@pdc.wa.gov

September 25, 2018

Alice Fiman
Public Disclosure Commission
711 Capitol Way S. #206
PO BOX 40908
Olympia, WA 98504-0908

RE: 27th Legislative District Democrats - Alleged Violations of RCW 42.17A
SCBIL File No. 6829-001

Dear Ms. Fiman:

On behalf of the 27th Legislative District Democrats Victory Fund and Exempt Fund (“the PACs”), we are hereby formally responding to the allegations raised by Glen Morgan in the above-referenced matter.

Mr. Morgan’s claim that the PACs “have habitually and willfully committed frequent and multiple violations of **RCW 42.17A**” (emphasis his) is flatly untrue. A large portion of Mr. Morgan’s allegations must be dismissed as unfounded or frivolous, as no violation has occurred. The few remaining allegations are either a technical correction *or* a remedial violation that has already been remedied and addressed.

Setting all rhetoric aside, there is no item cited in Mr. Morgan’s complaint requiring further inquiry or action from the PDC—and certainly not to the degree Mr. Morgan’s complaint unjustly asserts.

The intent of RCW 42.17A “is not to trap or embarrass people when they make honest remediable errors.” 2018 c 304 § 1. There is nothing beyond a remedial error that occurred here, and each error or issue was immediately corrected upon its discovery. And at all times material to the facts of this case, the PACs have worked with the PDC to update and correct their filings, regularly consulting with the PDC to ensure full compliance. Finally, the PACs has taken active steps to implement systems to ensure that it remains in compliance with Washington law. Therefore, all of Mr. Morgan’s allegations should be dismissed.

We hereby address his complaints as follows:

The PACs did not “fail to file accurate, timely C3 and C4 reports.”

Contrary to Mr. Morgan’s assertions in his complaint and itemized in his Attachment A, the PACs did, in fact, file the vast majority of their reports on time. As evidenced in the attached

memos the PACs received from the PDC, the PDC deleted a huge number of reports filed by the PACs in order to correct an erroneous filer identification number, and the PACs had to re-file them. This was, as the PDC stated, the only manner to do so—amending the reports was not an option. The very few reports that actually were filed late were seven days late *or less*.

The PACs' actions here show a clear intent to comply with "maximum transparency to the public and voters so they may know who is funding political campaigns and how those campaigns spend their money." 2018 c 304 § 1. In addition, each entity receiving contributions from the PACs *also* reports the receipt of each contribution, creating a built-in failsafe to ensure timely transparency of funds. It cannot be said that the PACs' actions "materially impact[ed] the public interest" in any way. RCW 42.17A.005(51).

We do not believe this even constitutes a violation of the law. At absolute worst, these are clear examples of technical corrections, and they do not warrant further investigation or inquiry by the PDC.¹ Therefore, this portion of the complaint should be dismissed.

The PACs did not fail "to accurately, timely report debt."

Without a shred of evidence to support his claims, Mr. Morgan alleges that the seven expenditures listed in his Attachment B should have been reported as debts in previous reporting periods. This is incorrect. These were expenditures, correctly reported as such when the items were acquired/purchased/paid for.

Mr. Morgan's allegation is not supported by the law or by any language in the statute. There has been no violation of the law, and this claim should be dismissed outright.

The PACs did not fail "to properly break down, describe expenses."

Mr. Morgan cites some instances where the PACs did not break down expenses to a degree Mr. Morgan would have found suitable.

With respect to the allegation that the PACs violated RCW 42.17A by failing to disclose the quantity of *one* printing project, prosecution of the PAC for this oversight would not serve the interests of the citizens of the State of Washington.

That leaves *seven* instances where the PACs could have potentially provided more information—out of so many successful filings. Even if he were correct that subvendors should have been identified or that more information could have been provided—which we do not concede—the public was not deprived of meaningful information by the PACs' actions here.

¹ If the PDC disagrees, these cannot be viewed to be more than remedial violations, as they did not constitute material violations because they were inadvertent and minor or otherwise has been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter; they did not materially affect the public interest; and they involved a Committee that substantially met the filing deadline for all other required reports within the immediately preceding twelve-month period. RCW 42.17A.005(45).

These are clear examples of, at most, remedial violations, as they involved amounts totaling no more than the contribution limits set out under RCW 42.17A.405(2) per election; did not constitute material violations because they were inadvertent and minor and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter; and, most importantly, did not materially affect the public interest.

Therefore, this portion of the complaint should likewise be dismissed.

Conclusion

Ultimately, none of the reports cited by Mr. Morgan in his complaint materially affected the public interest in transparency in elections. Further proceedings would simply not serve the purposes of this chapter.

With respect to Mr. Morgan's utterly unfounded claim that any of the above actions, if found to be violations of the law, were done with malice as contemplated by RCW 42.17A.750(2)(c): there has been absolutely no malicious action undertaken by the PACs. Alleging the mere "possibility" that violations have been committed—with the serious multiplier of allegations of malice—does not amount to sufficient grounds for the criminal prosecution that Mr. Morgan is seeking.

We look forward to working with the PDC to resolve this matter. Please let us know if we can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Ewan", with a stylized flourish at the end.

Laura Ewan

*Attorneys for 27th Legislative District Democrats Victory
Fund and Exempt Fund*

Enclosure

Mon, 27 Nov at 3:48 PM

Hi Jennifer,

I've left two earlier messages with you (11/8 and 11/22) and left another one today, but I'm hoping you can help me.

The 27th LD Democrats have been the subject of a complaint by Glen Morgan, and the majority of the complaint centers around the fact that I had made the error of switching our filing numbers and therefore you had to delete all of our reports, and I had to un-file and then re-file them. Because of this issue, it looks like we didn't file any reports until July 17, 2017. I'm asking for some sort of written confirmation from the PDC that I am being truthful about these issues and that we were filing reports all year, but had to delete, un-file, and re-file in order to fix this issue, and are therefore not out of compliance.

Thanks,

Katie Wilkinson

Treasurer, 27th LD Democrats.

Tue, Nov 28, 2017 at 3:59 PM

As discussed, I have attached two memos that were created to identify records that were purged from the PDC database and the reason why the documents were purged. These memos were added to the imaged records for the exempt and non-exempt accounts.

Jennifer Hansen

Filer Assistance Specialist

Tel: 360-586-4560



PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112

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MEMORANDUM

TO: File (27th Dist Demo Org Exempt Fund, 2017 Campaign)

FROM: Jennifer Hansen, Filer Assistance Specialist

DATE: July 14, 2017

SUBJECT: Purged Campaign Reports

PDC staff purged the database of all electronically filed C-3 and C-4 reports along with all attachments and schedules and any subsequent amendments filed by the 27th District Democratic Organization Exempt Fund for calendar year 2017. At the beginning of 2017, an incorrect filer identification number was used to submit reports. Amending was not an available option in this circumstance. All of the information purged was resubmitted, most on July 17, 2017.

The following reports were purged on July 14, 2017:

REPORT	DEPOSIT AMOUNT (C-3)	REPORTING PERIOD (C-4)	DATE FILED
C-3 100757919	\$27.00	N/A	5/1/2017
C-3 100760743	\$27.00	N/A	5/15/2017
C-3 100758721	\$27.00	N/A	5/7/2017
C-3 100758729	\$27.00	N/A	5/7/2017
C-3 100742364	\$351.00	N/A	1/24/2017
C-3 100757234	\$378.00	N/A	4/24/2017
C-3 100742365	\$27.00	N/A	1/24/2017
C-3 100742461	\$27.00	N/A	1/26/2017
C-4 100747066	N/A	1/1/2017 TO 1/31/2017	2/6/2017
C-4 100757224	N/A	1/1/2017 TO 1/31/2017	4/24/2017
C-4 100750421	N/A	2/1/2017 TO 2/28/2017	3/1/2017
C-4 100757225	N/A	2/1/2017 TO 2/28/2017	4/24/2017
C-4 100750418	N/A	2/1/2017 TO 2/28/2017	3/1/2017
C-4 100756313	N/A	3/1/2017 TO 3/31/2017	4/12/2017
C-4 100757226	N/A	3/1/2017 TO 3/31/2017	5/1/2017



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MEMORANDUM

TO: File (27th Dist Demo Org Victory Fund, 2017 Campaign)

FROM: Jennifer Hansen, Filer Assistance Specialist

DATE: July 14, 2017

SUBJECT: Purged Campaign Reports

PDC staff purged the database of all electronically filed C-3 and C-4 reports along with all attachments and schedules and any subsequent amendments filed by the 27th District Democratic Organization Victory Fund for calendar year 2017. At the beginning of 2017, an incorrect filer identification number was used to submit reports. Amending was not an available option in this circumstance. All of the information purged was resubmitted, most on July 17, 2017.

The following reports were purged on July 14, 2017:

REPORT	DEPOSIT AMOUNT (C-3)	REPORTING PERIOD (C-4)	DATE FILED
C-3 100760738	\$339.00	N/A	5/15/2017
C-3 100758759	\$81.00	N/A	5/8/2017
C-3 100758719	\$81.00	N/A	5/7/2017
C-3 100758722	\$81.00	N/A	5/7/2017
C-3 100758721	\$27.00	N/A	5/7/2017
C-3 100757918	\$81.00	N/A	5/1/2017
C-3 100757920	\$12.00	N/A	5/1/2017
C-3 100757353	\$189.00	N/A	4/26/2017
C-3 100757217	\$114.00	N/A	4/24/2017
C-3 100757218	\$27.00	N/A	4/24/2017
C-3 100757219	\$0.24	N/A	4/24/2017
C-3 100756960	\$81.00	N/A	4/20/2017
C-3 100756961	\$27.00	N/A	4/20/2017
C-3 100756309	\$27.00	N/A	4/12/2017
C-3 100756310	\$127.00	N/A	4/12/2017

27th Dist Demo Org Victory Fund, 2017 Campaign

REPORT	DEPOSIT AMOUNT (C-3)	REPORTING PERIOD (C-4)	DATE FILED
C-3 100756308	\$0.17	N/A	4/12/2017
C-3 100756307	\$54.00	N/A	4/12/2017
C-3 100756312	\$81.00	N/A	4/12/2017
C-3 100756306	\$15.00	N/A	4/12/2017
C-3 100756311	\$54.00	N/A	4/12/2017
C-3 100752555	\$27.00	N/A	3/13/2017
C-3 100750415	\$135.00	N/A	3/1/2017
C-3 100750420	\$0.01	N/A	3/1/2017
C-3 100750414	\$27.00	N/A	3/1/2017
C-3 100750416	\$134.00	N/A	3/1/2017
C-3 100750417	\$164.00	N/A	3/1/2017
C-3 100747067	\$54.00	N/A	2/6/2017
C-3 100746943	\$54.00	N/A	2/4/2017
C-3 100742664	\$27.00	N/A	1/30/2017
C-3 100742663	\$108.00	N/A	1/30/2017
C-3 100742459	\$0.15	N/A	1/26/2017
C-3 100742366	\$381.00	N/A	1/24/2017
C-3 100741656	\$54.00	N/A	1/11/2017
C-3 100741657	\$162.00	N/A	1/11/2017
C-3 100741655	\$54.00	N/A	1/11/2017
C-3 100758758	\$512.00	N/A	5/8/2017
C-3 100760778	\$512.00	N/A	5/15/2017
C-4 100756957	N/A	3/1/2017 TO 3/31/2017	4/20/2017
C-4 100756959	N/A	3/1/2017 TO 3/31/2017	4/20/2017
C-4 100757922	N/A	4/1/2017 TO 4/30/2017	5/1/2017