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Sent via email to tonyp@atg.wa.gov

November 21, 2017

Tony Perkins
Investigator, Campaign Finance Unit
Washington Attorney General's Office
P.O. Box 40100
Olympia, WA 98504-0100

RE: 39th Legislative District Democrats PAC - Alleged Violations of RCW 42.17A
SCBIL File No. 6552-019

Dear Mr. Perkins:

On behalf of the 39th Legislative District Democrats PAC ("the Committee"), we are hereby responding to the allegations raised by Mr. Glen Morgan in the above-referenced matter.

Several of Mr. Morgan's unfounded allegations seem to be based in a fundamental misunderstanding of campaign finance law. Others are not. Under normal circumstances, the extent of any errors made by the Committee would have been addressed by the PDC in a constructive and meaningful way. The Committee does not believe the extent of any of the actions it allegedly took would justify imposing any sort of penalty in excess of such a referral.

We believe that referral to the PDC is the only way for your office to ensure that the purposes of the Fair Campaign Practices Act ("FCPA") are fairly and properly effectuated. In this way, the Committee may formally resolve these issues with the PDC and the State of Washington. We do not believe this will occur if Mr. Morgan takes action on behalf of the State in Washington Superior Court.

We address the specific claims that were made against the Committee by Mr. Morgan in turn, as follows:

1. "Failure to file campaign reports electronically. (Violation of RCW 42.17A.245, see WAC 390-19-050(2))"

Without the Committee conceding to the entirety of Mr. Morgan's allegations, the Committee acknowledges that as a result of inexperience and misunderstanding of the requirements of the FCPA by those responsible for the Committee's reporting requirements during the period in question, not all reports were filed in a timely or sufficient manner.

With the commencement of the new treasurer's tenure in 2017, the Committee has addressed its shortcomings and has fulfilled its reporting requirements correctly. The Committee is also in the process of fixing any and all previously missed or incorrect filings.

Given the steps taken by the Committee, the proper venue for any enforcement action by the State rests solely with the PDC.

2. *"State law requires that candidates and committees file regular, accurate, timely C3 and C4 reports. RCW 42.17A.235."*

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3. *"...[various amounts were] collected illegally by the Committee when it should have been sent to the State Treasurer's Office."*

RCW 42.17A.220(4) regulates accumulated unidentified contributions "in excess of one percent of *the total accumulated contributions received in the current calendar year*, or three hundred dollars, whichever is more..." (emphasis added).

In 2016, the Committee did not believe that the total unidentified contributions would surpass the 1% or \$300 cutoff required by law. Any excess was inadvertently retained. We have since submitted that excess to the state treasurer, as required by law, and have implemented procedures to ensure that it will not happen again. Therefore, this allegation should be referred to the PDC for their review.

4. *[incorrectly marked as 3] "...On information and belief, the 39th District Democrats have failed to maintain financial records for a period of five calendar years following the year during which the transaction occurred. Specifically, I believe they have failed to maintain a list of individuals contributing no more than twenty-five dollars in the aggregate from any one person."*

Mr. Morgan's allegations are incorrect, and appear to stem from baseless, unfounded allegations. The few times the Committee has received small contributions of \$25 or less, it has indeed retained the required information for each individual.

Mr. Morgan's allegation that we have failed to maintain such lists for a period of five years is based upon nothing.

Conclusion

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 "willfully": there has been absolutely no malicious action undertaken by the Committee.

For the foregoing reasons, we believe that it would be appropriate for the AG's office to refer this matter to the PDC for their review. This approach would ensure that the purposes of the FCPA would be upheld in the most appropriate and straight-forward way possible. We respectfully ask your office to so conclude.

If you have any questions, or if there is anything we can do to be of assistance to you, please do not hesitate to contact us.

Sincerely,

Laura Ewan
Counsel for 39th Legislative District Democrats PAC