



State of Washington

PUBLIC DISCLOSURE COMMISSION

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April 2, 2018

Delivered electronically to Zack Hudgins at “zack@zackhudgins.com”

Subject: Zack Hudgins Complaint Return Letter, PDC Case 24666

Representative Hudgins:

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

As noted below in the electronic letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in this matter.

If you have questions, please contact PDC staff member Kurt Young by e-mail at kurt.young@pdcc.wa.gov.

Sincerely,

/s_____
Kurt Young
Compliance Officer

Endorsed by,

/s_____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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April 2, 2018

Delivered electronically to Glen Morgan at “glenmorgan89@gmail.com”

Subject: Complaint filed against Zachary Hudgins, PDC Case 24666

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on August 28, 2017. Your complaint alleged that that Zachary Hudgins, an incumbent State Representative from the 11th Legislative District and a candidate for re-election to that office in 2016, may have violated RCW 42.17A on numerous occasions as detailed below.

PDC staff reviewed your allegations, and the campaign finance reports filed by the 2015 Friends of Zack Hudgins for Director of King County Elections in 2015, and the People for Zack Hudgins for State Representative in 2016. As a result of our review, staff found the following:

- On February 3, 2015, Zack Hudgins filed a Candidate Registration (C-1 report) declaring his candidacy for re-election to State Representative from the 11th Legislative District in 2016, selecting the Full Reporting Option, and listing Jason Bennett as the Campaign Treasurer.
- On May 29, 2015, Zack Hudgins filed a C-1 report declaring his candidacy for Director of King County Elections in 2015, selecting the Full Reporting Option, and listing Jason Bennett as the Campaign Treasurer, and WinPower Strategies as a Campaign Consultant.
- Allegation #1: Failure to timely file accurate Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities, including debts and obligations, and providing the proper breakdown of some expenditures.

Representative Hudgins stated in his response that he had two active campaigns during calendar year 2015, his 2016 re-election to State Representative campaign for the November 8, 2016 general election; and the 2015 campaign for King County Director of Elections, and they both had different reporting requirements. He stated the 2015 Campaign began in May of 2015, and his name appeared on the November 3, 2015 general election ballot. He stated the complaint treated his 2015 and 2016 Campaigns as “one”, as if they had the same reporting requirements, including C-3 and C-4 report dates.

Representative Hudgins stated the two Campaigns were for two different election years, with differing C-3 and C-4 reporting requirements, and that the reports filed by his Campaigns were timely filed.

He noted that his 2016 State Representative campaign filed C-3 and C-4 reports on a monthly reporting basis for all of calendar year 2015 (and staff noted for the first six months of 2016), and not any pre-election reporting schedule, so those State Representative reports were timely filed. He stated several of the alleged late filed report dates fell on a holiday in 2015 and 2016, and that those C-3 or C-4 reports were required to have been filed on the next day (i.e. - 4th of July, Labor Day and Columbus Day). He stated that many of the reports listed in complaint Exhibit A, including #5 - #13, were timely filed.

Representative Hudgins stated that the alleged late reported contributions were filed as amended reports to correct a reporting discrepancy, and that the initial C-3 reports were timely filed. He stated that *“the amendments were filed as soon as the issue became apparent and after consultation with the PDC on how to address issues. The goal in amendments is correct information and disclosure as required”*.

- Allegation #2: Failure to timely disclose the candidate filing fee.

On June 10, 2016, the People for Zack Hudgins timely filed an amended May 2016 C-4 report disclosing a \$454.74 in-kind contribution had been received from Zack Hudgins on May 13, 2016, for the candidate filing fee paid to King County Elections. In addition, the Campaign timely filed the 2016 21-Day Pre-Primary C-4 report on July 12, 2016, disclosing a \$454.74 expenditure to reimburse Zack Hudgins for the filing fee he paid in May.

- Allegation #3: Failure to timely file reports of Last Minute Contribution reports (LMC reports) within 21-days of a general election disclosing two contributions received of \$1,000 from Avista Corporation on October 19, 2016, and Verizon Communications on November 1, 2016.

PDC staff's review found the Campaign timely filed LMC reports for the \$1,000 contribution received from Avista Corporation on October 19, 2016, and the \$1,000 contribution received from Verizon Communications on November 1, 2016. The response from Representative Hudgins also included copies of the email confirmations received by the Campaign for the two LMC reports.

- Allegations 4 and 5: Failure to disclose Committee Officers and persons authorized to make expenditures on the C-1 report, and expenditures were improperly made by persons not listed on the C-1 report, specifically WinPower Strategies or Argo Strategies.

Representative Hudgins stated WinPower Strategies or Argo Strategies were campaign vendors, and not required to have been listed on the C-1 report. He stated representatives from WinPower were not officers for his Campaign, that Jason Bennett (founder of Argo Strategies) was listed as the Campaign Treasurer, and that only he and Mr. Bennett were authorized to make expenditures on behalf of the Friends of the People for Zack Hudgins. He stated that it would have been redundant to list himself as an officer on the C-1 report, since he is the candidate and the C-1 report is filed under his name with the PDC.

- Allegation #6: Failure to file reports for the Zack Hudgins Surplus Funds account electronically.

RCW 42.17A245 states that candidates are required to file contribution and expenditure reports electronically. However, surplus funds account reports are only filed by elected officials, so the paper filed reports by Zack Hudgins for his surplus fund account activities were not violations. In addition, he filed a Final C-4 report on September 9, 2017, for the Zack Hudgins Surplus Funds account disclosing three expenditures disposing of the remaining funds.

Based on these findings, staff has determined that in this instance, there is no evidence that supports a finding of a material violation warranting further investigation. The PDC has closed the matter, and will not be conducting a more formal investigation into your complaint or pursuing further enforcement action in this case.

If you have questions, you may contact Kurt Young by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

/s_____
Kurt Young
PDC Compliance Officer

Endorsed by,

/s_____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director

cc: Representative Zack Hudgins