



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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November 1, 2018

Delivered electronically to Andy Lo, Treasurer for Friends of Manka Dhingra Campaign

Subject: Manka Dhingra Complaint Return Letter for Complaints #3 (PDC Case 15366); #4 (PDC Case 18600); #5 (PDC Case 21175); #6 (PDC Case 21336); #7 (PDC Case 23120); #8 (PDC Case 24233); #9 (PDC Case 25507); & #10 (PDC Case 27088)

Dear Mr. Lo:

Below is a copy of an electronic letter sent to Glen Morgan concerning the eight outstanding complaints he filed with the Public Disclosure Commission (PDC) against Manka Dhingra as follows: #3 (PDC Case 15366); #4 (PDC Case 18600); #5 (PDC Case 21175); #6 (PDC Case 21336); #7 (PDC Case 23120); #8 (PDC Case 24233); #9 (PDC Case 25507); & #10 (PDC Case 27088)

As noted below in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking further enforcement action in the eight complaints. Based on PDC staff's review, the PDC has dismissed the allegations listed in the eight complaints filed against Manka Dhingra in accordance with RCW 42.17A.755(1).

If you have questions, please contact Kurt Young at (360) 664-8854, toll-free at 1-877-601-2828, or by email at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by:

s/_____
Kurt Young
PDC Compliance Officer

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



Public Disclosure Commission
Shining Light on Washington Politics Since 1972



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November 1, 2018

Sent electronically to Glen Morgan "glenmorgan89@gmail.com"

Subject: Manka Dhingra Complaint Return Letter for Complaints: #3 (PDC Case 15366); #4 (PDC Case 18600); #5 (PDC Case 21175); #6 (PDC Case 21336); #7 (PDC Case 23120); #8 (PDC Case 24233); #9 (PDC Case 25507); & #10 (PDC Case 27088)

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the eight outstanding complaints you filed against Manka Dhingra, an incumbent State Senator since being appointed to that office, and a first-time candidate seeking the office in the 45th legislative District in 2017. The Attorney General's Office (AGO) notified you and PDC staff in June of 2018 that they were not taking action against Ms. Dhingra concerning the Citizen Action Notices you filed with their office. In April of 2017, PDC staff sent you a complaint return letter resolving the first two complaints you filed against Ms. Dhingra for Complaint #1 in PDC Case #13869, and Complaint #2 in PDC Case #14130.

For your information, in order to more efficiently use PDC resources, the eight complaints you filed against Manka Dhingra have been combined into one letter for the following cases: (1) Complaint #3 (PDC Case 15366); (2) Complaint #4 (PDC Case 18600); (3) Complaint #5 (PDC Case 21175); (4) Complaint #6 (PDC Case 21336); (5) Complaint #7 (PDC Case 23120); (6) Complaint #8 (PDC Case 24233); (7) Complaint #9 (PDC Case 25507); and (8) Complaint #10 (PDC Case 27088).

PDC staff reviewed all of the allegations listed in the eight complaints you filed, the statutes, rules and reporting requirements, queried the PDC contribution and expenditure database for Manka Dhingra Campaign, reviewed the Candidate Registrations (C-1 report), Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), filed by the Friends of Manka (Campaign), and the responses to the complaints provided by the Campaign. Based on staff's review, we found the following:

- On February 13, 2017, Manka Dhingra filed a C-1 report declaring her candidacy for State Senator from the 45th Legislative District in 2017, selecting the Full Reporting option, and listing Andy Lo as Treasurer. Ms. Dhingra was a first-time candidate for public office in the 2017 special election in the 45th Legislative District.
- On February 17, 2017, the Campaign filed its initial C-3 reports and C-4 reports disclosing \$40,375 in monetary contributions received and three expenditures totaling \$1,111.

- On March 12, 2018, the Campaign filed a final C-4 report for the 2017 election disclosing \$1,526,477 in monetary and in-kind contributions had been received and \$1,526,477 in expenditures made.

Failure to report in-kind contributions. (RCW 42.17A.235 (1))

Complaints #3, #4, #5 and #8 contained a number of allegations that the Campaign failed to disclose as in-kind contributions for: the Campaign post office box; Treasurer services; food and beverages for events; fundraising emails and lists; and support from a variety of entities including the Sister District Project, and the Children's Campaign Fund; and the Eastside Leadership Council, a political committee registered with the PDC that made independent expenditures (IE's) alleged to have been collaborated with the Campaign.

The Campaign stated that the majority of these allegations were not in-kind contributions such as the Treasurer's services and other vendors which were paid monthly and would only be reported as a debt or obligation if a payment was missed and "passed due." There were several out-of-pocket expenditures made by Campaign to volunteers and vendors for goods and services that were later timely reimburse, and those activities were not in-kind contributions. The Sister District Project allegations involved volunteer services that are not contributions in accordance with WAC 390-17-400. Finally, there were a number of IE political committees involved in the 2017 special election Senate race in the 45th Legislative District, but those activities were not in-kind contributions since they were not coordinated or in consult with the Campaign.

Failure to file timely and accurate C-3 reports (RCW 42.17A.235, .750 (2)(c))

Complaints #3, #4, and #6 alleged the Campaign failed to timely and accurately file C-3 reports disclosing monetary contributions.

The Campaign responses stated that a number of C-3 reports required amended filings to provide accurate contributor information that included the following: a C-3 report was incorrectly filed disclosing two contributions from Maninder Singh totaling \$2,000 in the aggregate, when Mr. Singh only contributed \$1,000; a C-3 report was filed disclosing the wrong address for a \$2,000 contribution that had been received from the Patty Murray for US Senate campaign; a C-3 report was filed incorrectly disclosing a contributor's employer as "Ms."; and a C-3 report was timely filed by the Campaign but failed to initially include the employer and occupation information for the contributor Surekha Patel.

Filing a C-4 report for the incorrect period disclosing inaccurate dates for expenditures, in-kind contributions and debts. (RCW 42.17A.235, .240, see WAC 390-16-041)

Complaint #3 alleged that the initial C-4 report was filed four days late, listed an incorrect end date of the reporting period, and failed to accurately disclose expenditures and in-kind contributions for the initial reports for February of 2017.

As noted in the April 26, 2017, complaint return letter sent to you dismissing your first two complaints, the initial C-3 and C-4 reports were filed four days late, and that the Campaign's lack of timeliness in filing those initial reports "was due to PDC staff's delay in issuing the Campaign a filer identification number for newly registered candidates using the Online Reporting of Campaign Activities (ORCA). The reports appear to have been filed by the Campaign as soon as the necessary filer identification number was provided allowing the Treasurer to upload the reports, and the campaign filed amended reports to change the reporting period to February 3 through 28, 2017, as well as the issues concerning NGP Van, Anedot, and Megan Bishop.

Failure to timely and accurately disclosed debts and obligations, expenditures, in-kind contributions, and pledges. (RCW 42.17A.235, .240)

Complaints #3, #4, #5, #9, and #10 alleged that the Campaign failed to timely disclose debts and obligations, expenditures, in-kind contributions, and pledges:

The Campaign stated that Mr. Morgan made similar allegations in previously adjudicated complaints and that matter had been resolved, and some of the allegations did not meet the definition of a debt or obligation. In addition, the Campaign did "not have any contingent liabilities with any of our vendors, thus none are reported, and we believe we are reporting all debts and obligations correctly."

The Campaign stated that many of the debt allegations listed in the complaints were for activities which involved recurring expenditures made to the same person, for the same or similar amounts, and paid around the same time each month. The Campaign stated those activities were not outstanding debts or obligations unless they were overdue, had not been timely paid, and exceeded the debt reporting thresholds.

Staff's review of the C-4 reports indicated the Campaign disclosed debts, obligations and candidate loans still owed on every initial filed and amended C-4 report filed during the 2017 election cycle. The amount of outstanding debts and obligations disclosed by the Campaign on every C-4 report filed, ranged from \$960 which was listed on the first C-4 report, to the following larger amounts: \$18,090; \$23,260; \$28,569; \$38,111; \$40,066; \$126,971; \$181,514; and \$193,776.

Concerning the alleged pledges, the Campaign stated they timely disclosed that all of the pledges, endorsements and contributions were or have not been reported in accordance with PDC statutes, rules and reporting requirements. The Campaign confirmed there were no pledges received for the contributors listed in the eight complaints. The Campaign did disclose pledges on the C-4 reports ranging in amounts between \$650 to \$1,750.

Failure to include sponsor identification (ID) or party preference on political advertising - RCW 42.17A.320.

Complaints #3, #4, and #5 alleged the Campaign failed to include the sponsor identification or party preference on the Manka website and web pages, including the donation pages, an e-mail requesting support for Ms. Dhingra from Jay Inslee, included the sponsor ID as being from the Dhingra campaign committee, but did not include the party preference, the

Campaign Facebook page and YouTube videos also failed to include sponsor ID, and an informational sheet produced by the Campaign failed to include sponsor ID.

The Campaign stated: (1) the donation page of Manka Dhingra's website (www.electmanka.com) clearly displayed across the top of the page "For 45th District Senate - D." In addition, the Campaign added a (D) to the "Paid for by Friends of Manka (D)" displayed at the bottom of the page. (2) The email referenced in the complaint clearly identified Jay Inslee as a Democrat and in the body of the email, it states "we need Democrats like Manka in the Senate. Party affiliation is clearly designated throughout the email but as Mr. Morgan's issues appear to be the lack of (D) at the bottom in the "Paid for" segment, we will be conscious of adding the "D" to any future email correspondence. Email attached for reference.

Failure to disclose offices held, assets and investments and other required information on Personal Financial Affairs Statement (F-1 report) - RCW 42.17A.700 & .710

Complaints #3, and #4: The allegations were that Ms. Dhingra failed to disclose her: (1) position as a board member of NAMI Eastside, retirement account as an employee in the King County Prosecutor's Office, ; (3) Stocks and other investments on her F-1 report for assets or investments with Morgan Stanley, Fidelity, Ameritrade, Vanguard, and Financial Reserve brokerage accounts as well as her T-Rowe Price and Charles Schwab retirement accounts (same allegation was also listed in Complaint #5) .

On February 22, 2017, Manka Dhingra filed an F-1 report declaring her candidacy for State Senator from the 45th Legislative District in 2017. The Campaign stated their initial understanding was that "offices held" meant elected office on the F-1 report, but they became aware that it includes offices held on corporations, charitable and non-profit organizations, there was no intent to conceal, and an amended the F-1 report was filed to "correct the record." The failure to disclose her King County PERS retirement account as an asset was an oversight that was corrected when an amended the F-1 report was filed.

An F-1 Supplement was filed by Ms. Dhingra for NAMI Eastside disclosing her position as a board member and indicating NAMI Eastside had "not received a singular government agency grant in excess of \$12,000" in the previous 12 months. In addition, Ms. Dhingra stated "according to the PDC instructions, I don't need to itemize stocks in investments that I don't make individual buy/sell decisions on."

Failure to accurately file the Committee Registration and to comply with the Public inspection of Campaign books and Other Issues

Complaints #3, #4, #5, #8, #9, and #10: The complaints alleged: (1) The address for the public inspection of the books of account was located outside of the 45th LD; (2) Failure to preserve campaign books of account; (3) Failure to list campaign officers/principal decision-makers including Andy Lo, NWP Consulting, Katherine Bobman Consulting, Dillon Gilbert, Louise O'Rourke, Harjit Singh and Adam Bartz; (3) Failure to list unnamed officers and principal decision-makers as being authorized to make expenditures; (4) Failure to respond to a June 16, 2017 request to inspect campaign books; and (5) Failure to maintain proper campaign records during the public records inspection period for loan documents concerning campaign loans and the campaigns mileage log.

There is no statutory requirement for the public records inspection to be located within the area of the office being sought, but the Campaign filed an amended C-1 report on June 12, 2017 (five days before your request) providing an address in Redmond. Ms. Dhingra stated that “While I receive advice from my committee about the direction of the campaign, I alone make the decisions. If that should change, we will amend the C-1 report to reflect that.” In addition, she stated that “I authorize all expenditures made by my committee. If that should change, we will amend the C-1 report to reflect that.”

The June 16, 2017, request to inspect the books of account was made more than six weeks prior to the public inspection period beginning on August xx 2017, prior to primary election, and the Campaign timely facilitated a xx-hour inspection of the campaign books of account. The Campaign stated that they provided Mr. Morgan with all of the required documentation during the records inspection, and went on to state “We do not know why Mr. Morgan has reason to believe my campaign does not maintain certain records.”

Exceeding Contribution Limits – RCW 42.17A.405

Complaints #4, #6, and #9 alleged that the Campaign exceeded the monetary and in-kind contribution limits of \$1,000 for the 2017 primary and \$1,000 for the 2017 general election.

A \$1,020 in-kind contribution was initially reported by the Campaign as received from Megan Bishop for website design, attributing \$1,000 to the 2017 primary election and \$20 was attributed to the 2017 general election limits. After becoming aware, that general election in-kind contribution could not be received until after the primary election had been held, the Campaign filed an amended C-4 report listing the \$20 owed to Ms. Bishop as a debt which was timely paid by the Campaign.

Concerning a \$250 contribution received from the San Dimas Animal Hospital in California, the response stated that once the Campaign became aware that San Dimas Animal Hospital was not a sole proprietorship owed by a contributor (Manohar Singh), the Campaign refunded the contribution immediately since the corporation was not doing business in Washington State. As noted earlier in this letter: (1) the Sister District Project is a grassroots all-volunteer organization, so no in-kind contributions were received and contribution limits were not exceeded; and (2) New Directions PAC is a political committee registered with the PDC and made independent expenditures in support of Ms. Dhingra, but since those expenditures were not coordinated or collaborated with the Campaign, no in-kind contributions received and contribution limits were not exceeded.

Personal use of Campaign Funds and Other Miscellaneous Allegations:

Complaint #8 alleged that the Campaign violated the personal use statute and rule concerning the purchase of Shell Gas Cards from Safeway totaling \$880, that were used for both campaign-related activities and for personal uses.

The Campaign confirmed that they purchased the gas cards and stated the cards were “handed out to our most committed interns and field organizers to recognize all the hard work and effort they put in each month” and included 16 total card purchases, six cards purchased in June of 2017, and ten cards purchased in July of 2017.

Ms. Dhingra stated that these expenditures “would not exist irrespective of my campaign and is exclusively campaign related” which they were.

Complaints #4, #5, and #6 alleged that the Candidate and Treasurer failed to certify C-3 and C-4 reports.

Ms. Dhingra stated that even though an electronic signature is automatically generated on the campaign finance reports by the ORCA software, she reviews and certifies all C-3 and C-4 reports as required by PDC laws and regulations.

Complaints #4, and #5 alleged that a person other than Treasurer or Deputy Treasurer deposited contributions into the campaign bank account.

There was no evidence found or provided that anyone other than Andy Lo, Treasurer for the Campaign, or Ms. Dhingra deposited monetary contributions received into the bank account established at BECU.

PDC staff found no evidence of a material violation that would require conducting a more formal investigation into your complaints or pursuing enforcement action in this instance, as noted in the Attorney General’s letter to you concerning these complaints. PDC staff would note that Ms. Dhingra was a first-time candidate for public office in 2017, and her Campaign filed a total of 692 campaign finance reports with the PDC for the 2017 election cycle that included 46 amended C-4 reports and 31 amended C-3 reports.

A number of the allegations listed in your eight complaints concerned information disclosed on amended C-3 and C-4 reports filed by the Campaign. The Campaign stated the amendments were filed “to correct the record and the C-4 reports were filed as soon as the error was discovered. All reports filed were as accurate as the campaign was aware of at the time, and no concealment was intended.”

Staff’s review of the amended C-3 and C-4 reports filed by the Campaign, Mr. Lo’s frequent communications with PDC staff concerning filing questions both by telephone and by email, and the timeliness in which the Campaign filed amended C-3 and C-4 reports indicated the Campaign made a good faith effort to comply with the reporting requirements.

The Campaign did everything requested by PDC staff to facilitate transparency in one the most expensive legislative elections in Washington State history. Based on this information, PDC staff is dismissing the allegations concerning amended reports in accordance with RCW 42.17A.755(1).

PDC staff also dismissed the allegations listed in your complaints that were based “on information and belief” in accordance with RCW 42.17A.755(1), since you failed to provide any evidence to support or substantiate those allegations.

Finally, PDC staff is dismissing the remaining allegations in the eight complaints you filed against Manka Dhingra as referenced above in this letter in accordance with RCW 42.17A.755(1).

Glen Morgan - Manka Dhingra Complaint Return Letter

PDC Complaints: #3 (PDC Case 15366); #4 (PDC Case 18600); #5 (PDC Case 21175); #6 (PDC Case 21336); #7 (PDC Case 23120); #8 (PDC Case 24233); #9 (PDC Case 25507); & #10 (PDC Case 27088)

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If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by:

s/ _____
Kurt Young
PDC Compliance Officer

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

cc: Manka Dhingra



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