



State of Washington

PUBLIC DISCLOSURE COMMISSION

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

Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

August 15, 2017

Tim Lovain Campaign
2606 Davis Avenue
Alexandria, VA 22302-2815

Subject: Complaint filed against Tim Lovain For Alexandria City Council, PDC Case 20779

Dear Mr. Lovain:

Enclosed is a copy of a letter sent to Glen Morgan concerning a complaint he filed with the Public Disclosure Commission (PDC) on June 13, 2017. The complaint alleged that the Tim Lovain for Alexandria City Council Campaign, made a \$1,000 contribution to the 2016 Jay Inslee for Governor Campaign (Jay Inslee Campaign) during the 2016 election, but your campaign failed to file an Out-of-State Committee report (C-5 report) as required, in accordance with RCW 42.17A.250.

As noted in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in this matter. Staff reviewed the complaint, your response letter, and the Committee Registration (C-1pc report) filed by your Campaign, and determined that your campaign was not eligible to make the contribution to the Jay Inslee Campaign as described below.

For your information, RCW 42.17A.405(12) requires that political committees, including out-of-state candidate committees, must have received \$10 from ten registered voters in Washington State, in the previous 180 days prior to making contributions to Washington State Executive or Legislative candidate(s). Specifically, PDC laws and rules requires out-of-state political committees to have received the contributions as described above, in order to be eligible to make contributions to Washington State office candidates.

Staff also reviewed the campaign finance records filed with the Virginia Board of Elections by your Campaign, and found that your Campaign did not receive any contributions from any person in Washington State during the first half of calendar year 2016, prior to making the contribution to the Jay Inslee Campaign.

PDC staff contacted Phil Lloyd, Treasurer for the Jay Inslee Campaign and discussed this issue with him, and the Jay Inslee Campaign agreed to refund the \$1,000 contribution to your Alexandria City Council Campaign, which they indicated they did on August 3, 2017.

Staff's review further discovered that your Alexandria Virginia Campaign also made a \$50 contribution to the Kristine Reeves Campaign for State Legislator in 2016, which you noted in your response letter. While not listed in Mr. Morgan's complaint, staff contacted the Treasurer for the Kristine Reeves Campaign and advised the Campaign to refund the \$50 contribution back to your Campaign.

Pursuant to WAC 390-37-060(1)(b), this letter serves as a formal written warning. Staff is reminding you about the importance of being aware of the reporting requirements and prohibitions in other states, especially Washington State, prior to making candidate contributions using your Alexandria City Council campaign funds. Staff recommends that if you would like to make contributions to any Washington State candidates in the future, that you make those contributions using personal funds.

The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

If you have questions, you may contact PDC staff member Kurt Young at 360-664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,



Peter Lavalley
Executive Director

Enclosure: Letter to Glen Morgan



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August 15, 2017

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

Subject: Complaint filed against Tim Lovain For Alexandria City Council, PDC Case 20779

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June 13, 2017. Your complaint alleged that Tim Lovain, a candidate for Alexandria Virginia City Council (Tim Lovain Campaign), made a \$1,000 contribution to the 2016 Jay Inslee for Governor Campaign (Jay Inslee Campaign) during the 2016 election using City Council funds, but failed to file an Out-of-State Committee report (C-5 report) as required in accordance with RCW 42.17A.250.

PDC staff reviewed your allegations in light of PDC laws and rules in order to determine whether a formal investigation or enforcement action is warranted. Staff reviewed: (1) your complaint; (2) the PDC database for contribution information for Tim Lovain Campaign; (3) the June 23, 2017, response letter from Tim Lovain; (4) Committee Registration (PDC Form C-1pc) filed by the Tim Lovain for Alexandria City Council on June 23, 2017; and (5) communications with Phil Lloyd, Treasurer for the 2016 Jay Inslee for Governor Campaign. Based on staff's review, we found the following:

- On June 27, 2016, the Jay Inslee Campaign timely filed a Monetary Contributions report (C-3 report) with the PDC disclosing that on June 22, 2016, the Campaign received a \$1,000 monetary contribution from the Tim Lovain Campaign.
- Mr. Lovain stated his City Council Campaign is registered with the Virginia Board of Elections and he has occasionally used campaign funds to make political contributions to federal candidates in accordance with Virginia and federal laws. He stated that when he made the contribution to the Jay Inslee Campaign using his Alexandria City Council funds, he was not aware of the C-5 filing requirement until after he received a copy of the complaint.
- On June 23, 2017, Tim Lovain for Alexandria City Council filed a C-1pc report as an "Other" political committee for 2016, selecting the Mini Reporting Option.

- Mr. Lovain stated that the \$1,000 contribution to the Jay Inslee Campaign in June of 2016, “constituted more than 20% of our committee’s aggregate expenditures for all political campaign activity nationwide in 2016.” In addition, he stated that he chose the Mini Reporting option since his Campaign had spent less than \$5,000 during calendar year 2016 to that point.
- RCW 42.17A.405 requires a political committee to have received contributions of \$10 or more from at least ten persons registered to vote in Washington state during the preceding 180 days, to be eligible to make contributions to Washington State office candidates. Staff reviewed the campaign finance records filed with the Virginia Board of Elections by the Tim Lovain for Alexandria City Council and found that he did not receive any contributions during the first half of calendar year 2016.
- PDC staff contacted Mr. Lloyd and discussed this finding, and the Jay Inslee Campaign agreed to refund the \$1,000 contribution to the Tim Lovain for Alexandria City Council.
- On August 3, 2017, Mr. Lloyd sent an email to the PDC stating that the 2016 Jay Inslee Campaign was issuing a \$1,000 refund check today to Tim Lovain for Alexandria City Council.

PDC staff concluded that Tim Lovain for Alexandria City Council was not eligible to make the contribution to the Jay Inslee Campaign. Staff determined that a C-5 report was not required to have been filed, nor was the Tim Lovain Campaign required to have registered as an in-state political committee.

While a more formal investigation into your complaint or pursuing enforcement action in this instance is not warranted, PDC staff is warning Mr. Lovain about the campaign finance requirements in Washington state, including the prohibitions and restrictions of an out-of-state state candidate using campaign funds to make contributions to Washington Statewide and Legislative candidates.

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,


Kurt Young
PDC Compliance Officer

Endorsed by:


Peter Lavallee
Executive Director

cc: Tim Lovain