



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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June 23, 2017

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

Subject: Complaint filed against PHARMA, PDC Case 20718

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June 13, 2017. Your complaint alleged that the Pharmaceutical Research and Manufacturers of America (PHARMA) made a \$1,800 contribution to the 2016 Jay Inslee for Governor Campaign in December of 2013, but that PHARMA 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 PHARMA; (3) Lobbyist Registration (L-1 report) and Monthly Lobbyist Expense reports (L-2) filed by PHARMA's contract lobbying firm of Carney Badley and Spellman; (4) the Annual Lobbyist Employer report (L-3 report) filed by PHARMA; and (5) communications with Phil Lloyd, Treasurer for the 2016 Jay Inslee for Governor Campaign. Based on staff's review, we found the following:

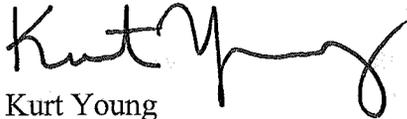
- On January 14, 2013, Carney Badley and Spellman timely filed an L-1 report disclosing that the lobbying firm was a contractor for Pharma with the sole duty to lobby on behalf of PHARMA in Washington State as their Permanent Lobbyist.
- On January 8, 2014, the 2016 Jay Inslee for Governor Campaign (Campaign) timely filed a Monetary Contributions report (C-3 report) with the PDC disclosing that on December 13, 2013, the Campaign received a \$2,101 monetary contribution from PHARMA PAC. The C-3 attributed \$1,800 for the 2016 primary election, and \$301 for the 2016 general election.
- On January 15, 2014, Carney Badley and Spellman timely filed the December 2013 L-2 report disclosing that on December 9, 2013, PHARMA made a \$2,101 contribution to the 2016 Jay Inslee for Governor Campaign, and indicated that the source of the funds used to make the contribution was listed as "PHARMA."

- The L-1 and Monthly L-2 reports filed by Carney Badley and Spellman, and the L-3 reports filed by PHARMA did not indicate that PHARMA had a political action committee (PAC) or that PAC funds had been used to make the \$2,101 in contributions made to the Campaign.
- Mr. Lloyd stated that when the contribution was data entered by staff, the word PAC was inadvertently added to the end of the PHARMA contribution. He confirmed that the contribution was made by PHARMA with corporate funds, and indicated that the Campaign has filed an amended C-3 report removing the word PAC from the PHARMA contribution.

PDC staff concluded that a more formal investigation into your complaint or pursuing enforcement action in this instance is not warranted. PHARMA used corporate funds to make the contribution, so no C-5 report was required to have been filed for that contribution. Therefore, PDC is returning your complaint filed against PHARMA without taking any action.

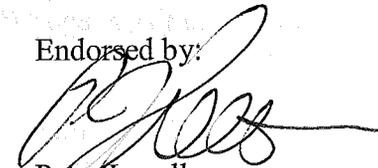
If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,



Kurt Young
PDC Compliance Officer

Endorsed by:



Peter Lavallee
Executive Director

cc: Carney Badley Spellman, contract lobbying firm on behalf of PHARMA



Public Disclosure Commission
Shining Light on Washington Politics Since 1972