

# SKCD Complaint Response

## ***Failure to file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)***

The South King County Democrats (SKCD) does admit that for the years 2015 and 2016 we have filed C3 and C4 forms very late (of which the treasurer Omaha Sternberg takes full responsibility). During those years, Ms. Sternberg had to sift through some poorly itemized donations and expenditures and incorrectly felt that she could not file any forms until the forms were validated properly and financially correct. The late filing of the C4s for 2016 came about purely by forgetfulness (she thought she had filed them when she hadn't). Ms. Sternberg has reexamined the SKCD's methods for financial filing and instated new methods. Ms. Sternberg will accept any penalties that the PDC decides.

## ***I have good reason to believe there are other contributions and expenditures that have been made by the Committee that have still not been reported.***

The complainant (Mr. Morgan) has confused the SKCD with other organizations, such as the Democrats of South King County and South King County Votes. The SKCD has no affiliation with either organization. Therefore, any expenditures or donations that are highlighted in the following spreadsheets (such as Mr. Morgan's claim of \$1000 donation made by IBEW 77 PAC on 11/9/16) were never received by us. We have marked Mr. Morgan's spreadsheets, highlighting donations and expenditures that are not ours.

Because Mr. Morgan has clearly confused several different organizations as one, his continued claims of hiding expenditures and donations have no merit and should be rejected.

## ***Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)***

This falls into the same category as above. All debts were paid within 30 days. The forms that mentioned the expenditures were filed late.

## ***Failure to properly break down expenses. (Violation of RCW 42.17A.235, see WAC 390-16-205)***

The SKCD is an all-volunteer organization. Until this year (2017) in fact, all purchases made by these volunteers were made by them from their own personal bank accounts. Once receipts and request forms were provided to the SKCD, the organization reimbursed them for the expenses made on behalf of the SKCD. If we were supposed to list the original supplier of the products/services, and note in a memo the volunteer who actually paid the expense from their own pocket, then we'll happily do so. But we didn't believe that this was the way to file the expenses.

However, Mr. Morgan also includes expenses that are itemized in his argument for failing to properly itemize. This implies that Mr. Morgan has not done much research before he filed this complaint.

Also, once again, Mr. Morgan includes expenses in his spreadsheets that are not associated in any way with the SKCD (expenditures made on 11/13/16 and 11/15/16). This also shows that Mr. Morgan has not done much research before he filed this complaint.

## ***Failure to list all committee officers. (Violation of RCW 42.17A.205 (2)(c), see WAC 390-05-245.***

The SKCD is baffled about why Mr. Morgan seems to believe he knows who is and is not supposed to be on the SKCD board. His claim about who is and is not involved in decision-making is also incorrect. The members of the SKCD Board determine the organization's direction and high-end event decisions (Keynote speaker choices, location, legal issues, Formula for distribution of net proceeds, etc).

Decisions regarding the event details themselves are made by board members who choose to be involved in event decision-making and liaisons from each district that choose to be involved in the event. Involvement means payment of a \$50 deposit, volunteers from each district, and donations to the event (spaghetti sauce, desserts, auction items).

Net proceeds from the annual event are distributed to the involved organizations (less a small carryover to cover intermittent expenses) once the receipts and expenses are verified.

Having never attended a single event or board meeting and having never attended the annual event that the SKCD runs (The South King County Democrats Dinner/Auction), the SKCD is confused about how Mr. Morgan knows anything about this organization, let alone can make claims about who is and is not supposed to be on the board.

Also, despite Mr. Morgan's claims, we are not defined as a PAC, both from the FEC definition of a PAC and the fact that the PDC has us listed as an associated party organization.

***Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1PC form. (Violation of RCW 42.17A.425)***

All expenditures are authorized by the SKCD during its monthly/weekly event meetings, at which at least one Board member allowed to authorize expenditures is present.

Mr. Morgan has wasted the time of the South King County Democrats and the PDC by filing a complaint that lacks research and shows incorrect data. He has not even listed all of the Legislative Districts that are involved in the annual event. The SKCD feels that he has filed this complaint against us (and many, many other organizations and individuals) as a method of harassment rather than actual concern for the financial welfare and transparency of the Washington State citizens.