



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

June 7, 2017

Sent electronically to De'Sean Quinn "Deseanquinn@gmail.com"

Subject: PDC Cases 16801 & 17965
Formal Written Warning

Dear Mr. Quinn:

Enclosed is a copy of a letter sent to Glen Morgan concerning complaints filed with the Public Disclosure Commission (PDC) on April 14, 2017 and May 9, 2017. The complaints alleged that you may have violated Chapter 42.17A RCW on multiple occasions by: (1) not accurately and timely filing reports of Monetary Contributions (C-3 reports) and Summary Full Report of Contribution and Expenditure reports (C-4 reports), disclosing contributions, expenditures, and debts and obligations incurred by the Campaign; (2) failing to timely and accurately disclose all required information on the Candidate Registration (C-1 report) as required; and (3) failing to disclose required personal financial information on the Personal Financial Affairs Statement (F-1 report).

As noted in the enclosed letter, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in these two complaints. However, PDC staff has concluded that your Campaign failed to comply with some of the disclosure requirements concerning the C-1, C-3, C-4 and F-1 reports, but those appear to constitute minor or technical violations of RCW 42.17A or WAC 390.

In accordance with WAC 390-73-060(1)(b), this letter constitutes a Formal Written Warning to you concerning your Campaigns failure to comply with the disclosure requirements for breaking down sub-vendors for Campaign expenditures, the timely refunding of contributions that exceeded campaign limits, and the disclosure of personal financial information on the F-1 report. The Commission will consider this formal written warning in deciding on further Commission action if you are found in violation of RCW 42.17A or WAC 390 in the future.

If you have questions, you may respond to the email to which this letter is attached, or contact Fox Blackhorn at 360.753.1980 or fox.blackhorn@gmail.com.

Sincerely,

Barbara Sandahl
Interim Executive Director

Enclosure: Letter to Glen Morgan



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

June 7, 2017

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

Subject: Complaints filed against De'Sean Quinn (1-2): PDC Cases 16801 & 17965

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on April 14, 2017 and May 9, 2017. Your complaints alleged that De'Sean Quinn, an incumbent Tukwila City Councilmember seeking election to the office of Mayor of Tukwila in 2015, and seeking re-election to the Tukwila City Council in 2017, violated RCW 42.17A on multiple occasions, as detailed below.

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 and expenditure information for Mr. Quinn; (3) Candidate's Registration reports (C-1 reports), Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), filed by the Campaign to Elect De'Sean Quinn (Campaign); (4) the Personal Financial Affairs Statements and Amendments (F-1 report) filed by Mr. Quinn; and (5) the emailed responses from Mr. Quinn. Based on staff's review, we found the following:

Complaint 16801

Allegation One: Accepting over-limit contributions, failure to refund over-limit contribution within 10 business days.

The complaint alleged that the Campaign to Elect De'Sean Quinn for Tukwila Mayor (Campaign) failed to: (1) timely refund over-limit contributions when he became aware that his name would not be appearing on the 2015 primary election ballot.

- During the period April 23, 2015 through October 03, 2015, the Campaign received and deposited contributions from SEIU Healthcare 1199 NW, Washington Teamsters Legislative League, Great Wall Investment Group LTD, Martha Kongsgaard, and the MLK Jr. County Labor Council Committee.
- The contributions made by the above listed groups were designated on the C-3 reports separately as primary contributions and general contributions. None of the contributions received by the Campaign exceeded the limit for separate primary and general elections.

- Since only two candidates filed for the office of Mayor of Tukwila in 2015, in accordance with Election Law, neither candidates name appeared on the primary ballot. Thus, both candidates, including Mr. Quinn, were only eligible to receive one \$950 contribution from each contributor for the entire 2015 entire election cycle.
- The Campaign should have refunded the over-limit contributions within 10 business days, but failed to timely do so. When Mr. Quinn became aware of this issue, he refunded the over-limit contributions that had been received by his Campaign, and he has been actively seeking advice and assistance from PDC staff to ensure that the over-limit contributions are properly refunded and disclosed.

The Campaign acknowledged receiving \$2,050 in over-limit contributions that should have been timely refunded. These contributions constituted roughly .05% of the total contributions received by the Campaign in 2015. Mr. Quinn refunded all over-limit contributions on April 27, 2017, and has been diligent in engaging with Commission staff to ensure proper reporting.

Allegation Two: Failure to timely file Candidate Registration (C-1 report) for 2017.

The complaint alleged Mr. Quinn became a candidate for the 2017 election when his campaign treasurer renewed the domain name www.deseanquinn.com on February 16, 2017, and that he failed to timely file his C-1 report within two weeks of that renewal.

- Mr. Quinn asserts that he had not decided whether to run for re-election to office at the time that the domain registration was renewed. He stated he merely renewed the domain name to keep ownership of the name, and that his Campaign Treasurer paid the domain registration renewal fee using his personal funds.
- Mr. Quinn stated that he will reimburse his Treasurer using personal funds, and he indicated that he has “not used this domain name since 2008 and will not use it in 2017.” He stated that when the initial complaint was filed, the domain name was not in use by the candidate, and remains inactive today.

Allegation Three: Failure to timely file C-3 & C-4 reports on the day C-1 is filed.

The Complaint alleged that Mr. Quinn was required to file a C-3 report for a personal contribution to his 2015 campaign on the same date that he filed his C-1 report (March 10, 2015).

- Mr. Quinn stated that he wrote the check making a personal contribution to his Campaign on March 7, 2015, delivered the check to his Treasurer on March 9, 2015, and deposited into the Campaign bank account on March 12, 2015 (despite listing March 7, 2015 on the C-3 report as the date deposited).
- On March 10, 2015, Mr. Quinn filed his C-1 report seeking the office of Tukwila Mayor. Since the \$100 in personal funds was not deposited until March 12, 2015, the C-3 report was timely filed on March 12, 2015.

Allegation Four: Failure to timely file accurate, timely C3 and C4 reports.

The complaint alleges that Mr. Quinn failed to accurately and timely report contributions and expenditures on C-3 and C-4 reports due to have been filed on September 14, 2015; July 10, 2015; and March 10, 2017.

- The complaint alleged that the Campaign failed to timely file a C-3 report for a \$200 contribution received from Frank Donahue. While the contribution received from Mr. Donahue appears to have been disclosed late by the Campaign, Mr. Quinn stated that the contribution was an NSF check as noted by the Campaigns attempt to make a correction by filing an amended C-3 report to reduce that contribution amount to zero.
- The complaint alleged that the Campaign failed to timely disclose a \$500 refund for a damage deposit received for the Campaign's rental of the Tukwila Community Center. He stated that the Tukwila Community Center "has a process for examining premises rented and then processing refunds depending on if damage occurred."
- Mr. Quinn stated that the Campaign was informed that the damage deposit would be credited back between 4-6 weeks after receipt of deposit payment, and when the Campaign received the refund checks, they filed an amended C-4 report disclosing that activity. The amended C-4 report was timely filed in this instance.

Allegation Five: Failure to accurately, timely report debt.

The complaint alleges that Mr. Quinn failed to accurately and timely report 36 debts or obligations greater than \$250 from C-4 filings from March 2015 to November 2015.

- Mr. Quinn stated that his Campaign has been advised by PDC staff that vendors who perform ministerial services such as those performed by Campaign treasurers and fundraisers, and other recurring expenditures for ongoing Campaign activities should be reported as expenditures in the month paid, and not as debts or outstanding obligations. He stated that none of the items noted in this allegation was reportable as Campaign debt, and he noted this was highlighted in the PDC-sponsored training that was attended by his Campaign.

Allegation Six: Failure to properly break down expenses.

The complaint alleges that the Campaign failed to adequately provide a breakdown of the sub-vendors and purposes for 16 expenditures, including expenditures made by Winpower Strategies.

- While the Campaign timely disclosed the expenditures made to Winpower Strategies and list the purpose, the Campaign failed to provide a breakdown of the sub-vendors that ultimately provided the work for the goods or services.

- No evidence was offered or provided to support the assertion that the three Campaign expenditures made to Capitol City Press in September and October of 2015 totaling \$478.16 each, should have been for a different amount.
- Mr. Quinn stated that his Campaign was advised at a PDC training to list the vendor, address of vendor, and what the vendor provided, although the Campaign did not provide the required breakdown of sub-vendor expenditures for firms acting on behalf of the candidate as required under WAC 390-16-205.

Allegation Seven: Failure to report expenditure/in-kind contribution for mailing list.

The complaint alleges that Mr. Quinn failed to list his use of mailing lists of registered voters as an expenditure or in-kind contribution. Mr. Quinn stated that his Campaign timely disclosed making a \$73.52 expenditure to the Washington State Democratic Central Committee on July 15, 2015, as noted on the August 10, 2015 C-4 report.

Allegation Eight: Failure to list Jean Blackburn and Winpower Strategies as committee officers.

The complaint alleges that Mr. Quinn failed to list Jean Blackburn and Winpower Strategies as committee officers and principal decision makers on the C-1 report.

- Mr. Quinn stated that he was the person “with ultimate authority over all strategic and policy decisions and expenditures” for his Campaign, and that Winpower Strategies was his Campaign consultant and did not make any strategic or policy decisions and was not authorized to make expenditure decisions for his Campaign without his approval.
- Mr. Quinn stated Jean Blackburn was his campaign manager and treasurer, but she did not make any strategic or policy decisions and was not authorized to make expenditure decisions for my campaign without his approval.

Allegation Nine: Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1 form.

The complaint alleges that Jean Blackburn and Winpower Strategies are committee officers and therefore made unauthorized expenditures on behalf of the committee since they are not listed on the C-1 candidate registration statement. Ms. Blackburn and Winpower Strategies did not make any strategic or policy decisions as noted above, and thus were not required to be listed as officers on the C-1 report.

Allegation Ten: Failure to acknowledge understanding of RCW 42.17A.555.

The complaint alleges that as an incumbent, Mr. Quinn was required on his F-1 statement to certify his understanding of RCW 42.17A.555, and failed to do so. Mr. Quinn acknowledged this minor and technical oversight on his part when he filed his F-1 report.

Allegation Eleven: Failure to timely submit accurate F-1.

The complaint alleges that Mr. Quinn was required to list ownership of his \$295,000 home in Tukwila on his 2016 and 2017 F-1 statements.

- Mr. Quinn disclosed the purchase of his home in Tukwila on his initial F-1 report that he filed as a candidate for office in 2007, and listed his home ownership on the F-1 filed in 2008.
- Mr. Quinn failed to disclose his personal residence in the real estate section for the F-1 reports he filed in subsequent years, but he filed several amended F-1 report on April 23, 2017, disclosing this information.

Allegation Twelve: Failure to accurately disclose ownership of Employer-Sponsored Retirement Accounts as an asset.

The complaint alleges that Mr. Quinn was required to list the value of the employer-sponsored retirement accounts for himself and his spouse as assets on his F-1 statements, and failed to do so. Mr. Quinn acknowledges this oversight and he has filed F-1 reports disclosing that information.

Allegation Thirteen: Failure to disclose offices held on non-profit boards.

The complaint alleges that Mr. Quinn failed to properly disclose his positions as a board member for Forterra NW and OneAmerica on his F-1 reports.

- Mr. Quinn stated that he did not believe that he was required to disclose his positions as an “unpaid member” on two non-profit boards.
- In accordance with WAC 390-24-150(1)(a), Mr. Quinn was only required to disclose his membership on boards where he serves as “President, vice president, secretary, treasurer, or some derivation thereof.” While Mr. Quinn did not serve as an officer on either Forterra NW or OneAmerica, he disclosed his membership on the F-1 report filed on April 4, 2017.

Complaint 16801 - Supplement: Failure to disclose potential conflict of interest while voting to approve contract for City of Tukwila.

The complaint alleges a violation of Chapter 42.23 RCW, the Code of Ethics for Municipal Officers. RCW 42.23 is not under the authority or the jurisdiction of the Public Disclosure Commission.

Complaint 17965: Failure to disclose offices held on for-profit boards.

The complaint alleges that Mr. Quinn failed to properly certify his membership on the board of Forterra Strong Communities Fund Manager, LLC.

- Mr. Quinn's membership on the board of Forterra Strong Communities Fund Manager LLC does not meet the definition of an officer as noted above.

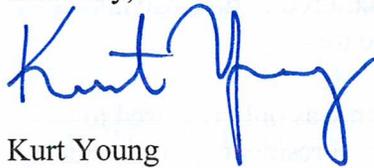
Based on these findings, PDC staff has determined that in this instance, Mr. Quinn's failure to timely disclose contribution and expenditure activities on C-3 and C-4 reports, and the disclosure of debts on the C-4 reports filed by his Campaign does not rise to the level of material violation warranting further investigation. Staff noted that Mr. Quinn has continued to make "good faith attempts" to comply with the law and has corrected any mistakes as soon as his Campaign became aware they were required to have been reported. In addition, Mr. Quinn has been very forthcoming with acknowledging mistakes, and has been diligent in seeking assistance from PDC staff to correct and amend his Campaign reports.

Pursuant to WAC 390-37-060(1)(b), De'Sean Quinn will receive a formal written warning concerning his failure to comply with the disclosure requirements for breaking down sub-vendors for Campaign expenditures, the timely refunding of contributions that exceeded campaign limits, and the timely disclosure of personal financial information on the F-1 report as noted above. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules by De'Sean Quinn.

The PDC has closed the matter, and will not be conducting a more formal investigation into your complaint or pursuing enforcement action in this case.

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:



Barbara Sandahl
Interim Executive Director

cc: De'Sean Quinn