

April 27, 2017

Fox Blackhorn

Public Disclosure Commission

711 Capitol Way, Rm 206

P.O. Box 40908

Olympia, WA 98504-0908

Re: Response to PDC Complaint # 16801 (De'Sean Quinn)

Dear Mr. Blackhorn,

I write you today in response to a complaint submitted by Glen Morgan. As you are aware, Mr. Morgan has also filed a "citizen action complaint" with the Attorney General's office. The items addressed in this letter relate to a 2015 run for Tukwila Mayor and one complaint each for 2016 and 2017. This is an opportunity to provide relevant information and address items listed in these complaints. This letter will address the following allegations:

- 1) Accepting over limit contributions, failure to refund over-limit contribution within 10 business days. (Violation of RCW 42.17A.405, see WAC 390-16-312, WAC 390-05-400)
- 2) Failure to timely file Statement of Organization (C1/C1PC). (Violation of RCW 42.17A.205 (1))
- 3) Failure to timely file C3 & C4 reports on day C1 is filed. (Violation of RCW 42.17A.235 (1))
- 4) Failure to timely file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)
- 5) Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8))
- 6) Failure to properly break down expenses. (Violation of RCW 42.17A.235)
- 7) Failure to report expenditure/in-kind contribution for mailing list. (Violation of RCW 42.17A.235)
- 8) Failure to list Jean Blackburn and Winpower Strategies as committee officers. (Violation of RCW 42.17A.205 (2) (c), see WAC 390-05-245)
- 9) Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1 form. (Violation of RCW 42.17A.425)
- 10) Failure to acknowledge understanding of RCW 42.17A.555. (Violation of RCW 42.17A.700 (7))
- 11) Failure to timely submit accurate F1. (Violation of RCW 42.17A.700, .710)
- 12) Failure to accurately disclose ownership of a PERS retirement account as an asset. (Violation of RCW 42.17A.700, see WAC 390-24-010)
- 13) Failure to disclose offices held. (Violation of RCW 42.17A.700, see WAC 390-24-010, 150)

**Allegation #1:** Accepting over limit contributions, failure to refund over-limit contribution within 10 business days. (Violation of RCW 42.17A.405)

At the time, my interpretation of the rule was that a candidate could receive donations up to the limit for the primary election period and then again for the general election period. After further review, it appears I may have misinterpreted the rule regarding contributions during primary and general elections. My name was on the ballot for the general election in 2015. The election was contested, but because there were only two candidates there was no primary election ballot on which my name could also appear. I ultimately lost the election and the amount refunded was well below the amount raised. Accordingly, I have issued refunds to the following 2015 election contributors:

- SEIU 1199 NW \$950 refunded April 27, 2017
- Washington Teamsters Legislative \$950 refunded April 27, 2017
- Great Wall Investment Group \$50 refunded April 27, 2017
- Martha Kongsgaard \$50 refunded April 27, 2017
- MLK Jr. County Labor Council \$50 refunded April 27, 2017

**Allegation #2:** Failure to timely file Statement of Organization (C1/C1PC). (Violation of RCW 42.17A.205 (1))

This complaint makes an assumption and an accusation that is incorrect. At the time I paid the annual fee for the deseanninn.com website name, I had not decided to become a candidate. I had previously owned the domain name and decided to hold on to it in the event I made the decision to run again or for personal use in the future. My former treasurer Phil Lloyd simply paid the annual renewal invoice once it came in in order to keep the option open. Once one loses a domain name, it is very hard to get it back. He paid for the domain name from his own funds which I will reimburse him. After consultation with my family, as they are the ultimate determining factor of my running for office, I became a candidate when I filed on April 15. The assumption and accusations are false.

**Allegation #3:** Failure to timely file C3 & C4 reports on day C1 is filed. (Violation of RCW 42.17A.235 (1))

This complaint makes assumptions about when the check was written by me of \$100. I wrote a check on 3/7/15. I dated the check on the Saturday 3/7/15, but was unable to get the check to my campaign treasurer until Monday 3/9/15. It was not deposited until 3/12/15, which is the same day it was reported. The personal contribution was deposited in accordance with the "Candidate's Guide to Reporting" **Deposit campaign contributions within five business days of receipt.** Thus, the contribution was reported within the proper timeline as well.

**Allegation #4:** Failure to timely file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)

- a. C3 for the time period of 9/7/15 to 9/13/15 was due 9/14 – original report failed to include a \$200 donation from Frank Donahue.

The check is originally dated 9-11-15 a Friday but the remit envelope was received at the campaign P.O. Box some time later and reported timely. Further, this particular item was a unique situation because it

involved a notification of non-sufficient funds (NSF) from the individual's bank. I was notified of this by Jean Blackburn, campaign treasurer. Ms. Blackburn consulted a handout from the Public Disclosure Commission (PDC) training and Frequently Asked Questions (FAQ) in ORCA and followed instructions to delete the entry to 0 since no funds were collected, and entered a bank charge for Insufficient Funds (ISF) from Umpqua in ORCA

[https://www.pdc.wa.gov/search?search\\_api\\_views\\_fulltext=how%20to%20report%20insufficient%20funds%20from%20contributor&page=3](https://www.pdc.wa.gov/search?search_api_views_fulltext=how%20to%20report%20insufficient%20funds%20from%20contributor&page=3). This information was accurately reported on the C3 on 9/21/15.

- b. C4 for the time period of June 2015 was due on 7/10/15 original report failed to include a 6/10/15 refund of \$500 from the Tukwila Community Center.

This item was accurately reported on the 8/10/15 C4 because the refund was not provided by the Community Center until July 2015. The refund was for a return of a rental damage deposit. The Community Center has a process for examining premises rented and then processing refunds depending on if damage occurred. The campaign was informed that the damage deposit would be credited back between 4-6 weeks after receipt of deposit payment, which was done here.

- c. Renewal of domain name [www.deseanquinn.com](http://www.deseanquinn.com)

Please see above regarding Allegation #2. Again, renewing a domain name does not necessarily make a person a candidate. People reserve domain names all the time to protect their name, plan for the future, etc. I have not used this domain since 2008 and will not use it in 2017. I will personally reimburse Phil for the renewal.

**Allegation #5:** Failure to accurately, timely report debt. (Violation of RCW 4 2.17A.240 (8))

The items listed were not debt. They were expenditures that were reported based on when invoices were received and paid. Further, the PDC has advised candidates that vendors of ministerial services, such as services performed by treasurers, as well as fundraisers, salaries, and other recurring expenditures should be reported as expenditures in the month paid, but not as debts or outstanding obligations. This was highlighted in the PDC-sponsored training. Here, all of the expenditures were properly reported in full transparency to the public. Campaign manager and Treasurer fee invoiced and reported on 7/1/15 for services 6/15/15 to 6/30/15; Invoiced on 10/26/15 for services 9/1/15 to 9/30/15.etc

**Allegation #6:** Failure to properly break down expenses. (Violation of RCW 42.17A.235)

The expenditures listed were each paid to the identified vendor for specified goods or services. All these expenses have descriptions. Some are more detailed than others, in some cases it is difficult to list more details. At a PDC training, Chip Beatty suggested that notes reflect vendor, address of vendor and what vendor provided in notes section on ORCA C4 entries. That is exactly what was provided here. Regarding the allegations that there was a failure to identify which entity rendered particular services, I listed the actual vendor that invoiced us for the service and to which payment was made, which is proper given the guidance received.

**Allegation #7:** Failure to report expenditure/in-kind contribution for mailing list. (Violation of RCW 42.17A.235)

Regarding mailers to registered voters, the campaign was endorsed by the Washington State democrats and was provided access to lists. To the extent the campaign purchased a mailing list, it properly reported that expenditure on its July 15, 2015 C3 (expenditure for \$73.52 to Washington State Democrats).

**Allegation #8:** Failure to list Jean Blackburn and Winpower Strategies as committee officers. (Violation of RCW42.17A.205 (2) (c), see WAC 390-05-245)

The PDC doesn't require you to list the candidate and treasurer on the C1 as committee officers. A committee officer is only one who makes strategic or policy decisions or is authorized to make expenditures on behalf of the campaign. I was the person with ultimate authority over all strategic and policy decisions and expenditures. Winpower Strategies was my consultant and did not make any strategic or policy decisions and was not authorized to make expenditure decisions for my campaign without my approval. I disclosed Jean Blackburn as my campaign manager and treasurer on the C1 report. Ms. Blackburn did not make any strategic or policy decisions and was not authorized to make expenditure decisions for my campaign without my approval. I met with Ms. Blackburn often to discuss my decision in these regards. Ms. Blackburn consulted with me and performed the various day-to-day functions of the campaign. Accordingly, either Winpower Strategies or Ms. Blackburn were required to be listed as committee officers.

**Allegation # 9:** Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1 form. (Violation of RCW 42.17A.425)

See above response to Allegation #8. Because Winpower Strategies and Ms. Blackburn were not committee officers, there were no unauthorized expenditures.

**Allegation # 10: Failure to acknowledge understanding of RCW 42.17A.555. (Violation of RCW 42.17A.700 (7))**

I acknowledge forgetting to check the box on my F1 report. This was an inadvertent oversight. I have amended my 2016, and 2015 F1s.

**Allegation #11: Failure to timely submit accurate F1. (Violation of RCW 42.17A.700, .710)**

It was not my intent to omit the ownership of my home. I focused on the first two portions of the form which asked if you sold or acquired interest or property during the filing period. It is a matter of public record and my address has been listed on every F1 I have ever filed it was incorrectly omitted from the appropriate section. I have amended my F1 to list the ownership of my home.

**Allegation #12: Failure to accurately disclose ownership of a PERS retirement account as an asset.**

I am a recipient of a PERS retirement that is a matter of public record. I overlooked the requirement to list this information on my F1. I have amended my F1.

**Allegation #13: Failure to disclose offices held.**

I am a recent Board member for Forterra beginning Jan 2016 and have been a board member of One America for the last five years. Both positions are entirely voluntary and I receive no compensation of any kind from the organizations for my volunteer service as a board member. Nor do I have a personal, financial interest in these organizations. And I am not an officer of either organization. Participating in community, non-profit organization boards is in the tradition of many decades of elected officials in our state. It is only in service to the people that I do so. I consult with the City of Tukwila's City Attorney on a frequent basis to make sure I am in compliance with all role and responsibilities and there are no conflicts of interest. The City of Tukwila, as far as I'm aware, has not provided "massive grants/land donations" from the city as Mr. Morgan asserts. My participation on these boards is a matter of public record I overlooked the requirement to list these roles on my F1 given the lack of any compensation or personal financial interest that may create a conflict as contemplated in RCW 42.17A.710. I have amended my F1 report to list both board appointments.

Thank you for the opportunity to respond,

De'Sean Quinn