



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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January 28, 2019

Sent electronically to Shawn Roland

Subject: Complaint regarding the 45<sup>th</sup> Legislative District Central Committee, PDC Cases 42565 & 16743

Mr. Roland:

Below is a copy of an electronic letter sent to Glen Morgan concerning the two complaints he filed with the Public Disclosure Commission (PDC) against the 45<sup>th</sup> Legislative District Democratic Central Committee (Committee). As noted in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into the allegations listed in the two complaints or taking further enforcement action in these matters.

However, pursuant to WAC 390-37-060(1)(b), the 45<sup>th</sup> Legislative District Central Committee is hereby formally warned concerning the importance of timely and accurately filing C-3 and C-4 reports disclosing contribution and expenditure activities, including in-kind contributions, last-minute contributions, the reporting of debt, and providing a breakdown of the required sub-vendor information for reimbursements made to Committee officers and volunteers, as required by PDC laws and rules. This formal written warning conveys staff's expectation that the 45<sup>th</sup> Legislative District Democratic Central Committee will fully comply with the C-3 and C-4 reporting requirements in the future as required for a bona fide political party committee. The Commission will consider this formal written warning if there are any future PDC law or rule violations by the 45<sup>th</sup> Legislative District Democratic Central Committee.

Based on this information, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1). 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](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/ \_\_\_\_\_  
Kurt Young, Compliance Officer

s/ \_\_\_\_\_  
Peter Lavalley, Executive Director





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January 28, 2019

Sent electronically to Glen Morgan at [glen@wethegoverned.com](mailto:glen@wethegoverned.com)

Subject: Complaint regarding the 45<sup>th</sup> Legislative District Democratic Central Committee, PDC Cases 42565 & 16743

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the two complaints you filed against the 45<sup>th</sup> Legislative District Democratic Central Committee: PDC Case 42565, filed on October 29, 2018, and PDC Case 16743, filed on April 13, 2017. The two complaints alleged that the 45<sup>th</sup> Legislative District Democratic Central Committee, a bona fide legislative district political party committee registered with the PDC, may have violated: (1) RCW 42.17A.220 by failing to timely deposit monetary contributions within five business days of receipt; and (2) RCW 42.17A.235 and .240 by failing to timely file Monetary Contributions reports (C-3 reports) and Campaign Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities, including in-kind and last-minute contributions and debts, and failing to provide the sub-vendor breakdown for expenditures undertaken by the Committee.

For your information, in order to more efficiently use PDC resources the two complaints have been combined into this one resolution. PDC staff reviewed the allegations listed in the complaint, exhibits, the statutes, rules and reporting requirements, and the C-3 and C-4 reports filed by the Committee and the response to the complaint. Based on staff's review, we found the following:

- On May 8, 2018, the 45<sup>th</sup> Legislative District Democratic Central Committee (Committee) filed a Committee Registration (C-1pc report) as a Continuing Bona Fide Political Party Committee, selecting the Full Reporting Option, and listing Ken Albinger as Chair, and Shawn Roland Treasurer. The Committee has been registered and reporting as a bona fide political party committee since 1996.

#### **PDC Case 42565:**

- RCW 42.17A.220 requires monetary contributions to be deposited into the committee bank account within five business days of receipt. The complaints provided no evidence to support the allegations that contributions were not timely deposited, and staff's spot check of C-3 reports indicated that the Committee timely deposited monetary contributions received within one to four days, and frequently on the same date.
- Concerning the allegations of late filed reports in the complaint, staff's review found the Committee filed 18 C-3 and C-4 reports that were between one to eight days late covering reports filed between 2016 through 2018, disclosing minor contribution and expenditure activities.
- In addition, the Committee filed seven amended C-3 and C-4 reports correcting minor reporting issues from previously reports that appear to have been initially timely filed. The remaining alleged late filed reports by date included the following:

1. Two C-3 reports were filed by the Committee on April 17, 2017, that were alleged to have been filed 311 days late, that included: (1) an amended C-3 report disclosing a \$25 contribution received from an individual on May 20, 2016, with a \$45 aggregate total; and (2) a C-3 report disclosing a \$400 Miscellaneous Receipt from Redmond High School on May 2, 2016, for a refund from the Lake Washington School District for use of the building for the caucuses.
2. A C-3 report was alleged to have been filed 146 days late, but staff's review found that an amended C-3 report was filed by the Committee on June 5, 2018, disclosing \$135 in itemized contributions received from five individuals on December 6, 2017, that were timely disclosed on the initial C-3 report.
3. A C-4 report was alleged to have been filed 70 days late, but staff's review found that the report was the 7-Day Pre-General Election C-4 report filed for the Committee's Exempt Funds account, disclosing \$0 in both contribution and expenditure activities for the period. Staff's review noted that the Committee's Exempt Funds account disclosed only \$1,000.09 in total contributions and \$1,000 in total expenditures for all of calendar year 2017, which could have qualified for the Mini Reporting Option, and those \$0 reports were part of the alleged late filed reports.
4. A C-3 report was alleged to have been filed 51 days late, but staff's review found that an amended C-3 report was filed by the Committee on August 30, 2017, disclosing a \$25 itemized contribution received from one individual on July 5, 2017, that was timely disclosed on the initial C-3 report.

#### **PDC Case 16743:**

- The Committee acknowledged they failed to timely file a last-minute contribution report during the 21-day period prior to the November 8, 2016, general election for a \$1,350 contribution received from the Eastside Democratic Dinner on October 20, 2016. The \$1,350 contribution from the Eastside Democratic Dinner was disclosed on a C-3 report filed on October 28, 2016, six days late but ten days prior to the general election date.
- The complaint identified six Committee expenditures that were alleged to have failed to provide a proper sub-vendor breakdown, and included five reimbursements made to Committee officers, PCO's and volunteers in 2016 for the rental of facilities for the district caucuses, food, beverages and supplies for the summer picnic, holiday party, and a local festival. In response, the Committee stated that the expenditures reflected each vendor, and the date, amount, and description of the expenditures in question, and that the Committee did not believe these descriptions violated RCW 42.17A.235 or WAC 390-16-205. Staff's review indicated that the reimbursement expenditure descriptions did not include the actual vendor name that provided the service, and the Committee will be reminded about that reporting requirement.
- Staff reviewed the debt allegations, concerning 12 Committee expenditures, which included nine expenditures made for facilities rentals for district caucuses, general meeting space, and parade and booth rental, and one expenditure for dues paid to the King County Democratic Central Committee. It did not appear that the Committee was required to have disclosed those 10 expenditure activities as debt. The two remaining expenditures were made to Trade Printery for two print jobs to print the 2016 election Voter and Endorsement guides, and, based solely on the date of the expenditure, may have reportable as debt.
- The Committee denied being in violation of RCW 42.17A.240(8) or WAC 390-05-295, and stated, "We pay obligations throughout each month" and those are disclosed as expenditures on the C-4 reports. The Committee will be reminded about the new debt reporting requirements that resulted from the passage of ESHB 2938.
- The Committee acknowledged that two allegations of late-filed C-4 reports were accurate and included:
  1. The 2015 7-Day Pre-Primary C-4 report covering the period of July 14 through 27, 2015 was filed by the Committee seven days late on August 4, 2015 disclosing a \$25 contribution received and no expenditures. An amended C-4 report was filed by the Committee on October 15, 2015, disclosing a \$541 in-kind contribution received from an individual for printing which was discovered by the Committee Treasurer "during the reconciliation process."

2. The May 2015 C-4 report was filed on June 14, 2015, four days late, disclosing \$195 in monetary and \$331 in expenditures made. The Committee stated that an amended C-4 report was filed on January 10, 2016.
- The Committee stated in the response that they “have been regularly filing reports with the PDC for many years.... the overwhelming majority of cases, our reporting has been done perfectly. Our goal is, at all times, to comply with the letter and spirit of campaign finance reporting obligations. Given the nature of political campaigns, it is almost inevitable that the occasional report may be filed a day or two late or may need to be amended as a result of the reconciliation process that the 45th Legislative District Democrats utilize to ensure the accuracy of their accounts.”

Based on these findings staff has determined that, in this instance, the Committee’s failure to timely file its C-3 and C-4 reports, disclosing contribution information, including in-kind and last-minute contributions, debts, and other expenditure information, including a detailed sub-vendor breakdown when applicable, does not amount to an actual violation warranting further investigation.

However, pursuant to WAC 390-37-060(1)(b), PDC staff issued a formal written warning to the 45<sup>th</sup> Legislative District Democratic Central Committee concerning the importance of timely and accurately filing C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the political committee as required by PDC laws and rules. This formal written warning conveys staff’s expectation that the 45<sup>th</sup> Legislative District Democratic Central Committee will fully comply with the C-3 and C-4 reporting requirements in the future as required for a registered political committee, including the reporting of debt. The Commission will consider this formal written warning if there are any future PDC law or rule violations by the 45<sup>th</sup> Legislative District Democratic Central Committee.

Based on this information, the PDC has dismissed the two complaints you filed for PDC Cases 42565 and 16743, in accordance with RCW 42.17A.755(1).

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](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/ \_\_\_\_\_  
Kurt Young, Compliance Officer

s/ \_\_\_\_\_  
Peter Lavalley, Executive Director

cc: Shawn Roland, Treasurer for 45<sup>th</sup> Legislative District Democratic Central Committee

