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Original via electronic mail to: fox.blackhorn@pdc.wa.gov

May 26, 2017

Fox Blackhorn
Public Disclosure Commission
711 Capitol Way, Rm. 206
P. O. Box 40908
Olympia, WA 98504-0908

Re: Response To PDC Complaints (People for Thurston County)
Our File No. 6548-001

Dear Mr. Blackhorn:

We write to you today on behalf of our client, People for Thurston County (“the Committee”), in response to several tickets addressing complaints submitted by Glen Morgan. As you are undoubtedly aware, Mr. Morgan has submitted numerous complaints against the Committee, many with overlapping or repetitive claims (despite his assertions that “these are separate and distinct violations.” This letter will address the following complaints:

Complaint No. ¹	Allegations
9044 (previously 9154)	Alleged violations of RCW 42.17A and WAC 390.
9044 (previously 9157)	Alleged violations of RCW 42.17A
13800	Alleged violations of RCW 42.17A
15186	Alleged violations of RCW 42.17A

We will attempt to address each complaint in turn, although there is a substantial amount of overlap. As further explained herein, some portions of the allegations are correct, but many claims are not. But overall, the complaints highlight simple errors that were either immediately addressed or rectified in as timely a manner as possible, and ultimately do not rise to the level of gravity insinuated by Mr. Morgan. The Committee ultimately wishes to do whatever it takes to rectify the situation.

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¹ We believe that with this submission, we have addressed all of Mr. Morgan’s charges against the Committee.

The Complaints

Complaint No.	Allegations
9044 <i>(previously 9154)</i>	Alleged violations of RCW 42.17A and WAC 390.

This complaint alleges the following claims:

- 1) “Failure to report debt in a timely and accurate manner.” (Concerning the printing of mailers in support of Jim Cooper and Kelsey Hulse)
- 2) “The PAC has continued to fail to report their independent expenditure on the C6 form... include[ing] the [sic] both the Hulse and the Cooper mailing.”
- 3) “Failure to report in-kind donations or expenditures for consulting and design.” (of the mailers)
- 4) “Failure to report all donations.” (with respect to Washington Conservation Voters)

The Committee addressed all of these points in its response on November 21, 2016. Furthermore, the mailer postage was reported in a timely manner (*see* response to 9044, below).

To be clear, the Committee reported its debts, contributions, and expenditures in a timely manner, and this reiteration of prior allegations should be taken for what it is—an attempt to bury the PDC with superfluous and repetitive allegations in an effort to harass the individuals involved with the Committee.

Complaint No.	Allegations
9044 <i>(previously 9157)</i>	Alleged violations of RCW 42.17A

This complaint alleges the following claims, which will be addressed in turn:

- 1) *“Failure to accurately identify the top 5 donors of committee in a mailer.”*

The Committee previously addressed the issue with mailers being sent out by another company prematurely (and therefore causing complications in the Committee’s reporting) on the November 21, 2016, response.

- 2) *“On 9/1/2016, the PAC reports an expenditure for ‘\$50 or less,’ but does not list the amount and does not say for what purpose it is for.*

Mr. Morgan’s allegation shows a lack of familiarity with the C4 form itself. Each C4 comes preprinted with the following text:

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	
				\$

A committee with an expense falling within this category would then fill out the “amount” column. For the Committee, there *is* no amount needed in this column.

Mr. Morgan *may* be looking at the general PDC search results screen, which for some reason shows the following:

Report	EXPENSES OF \$50 OR LESS	9/1/2016	\$0.00
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But even if that is the case, it clearly states there is no dollar amount that was spent in this category. Therefore, this allegation is meritless.

3) *“Additionally, the PAC fails to report the postage using the code ‘P’ on their C4, which is required.”*

With respect to point 3, while it may be true that the letter “P” was *not* noted in the “Code” column, this was an inadvertent oversight. Furthermore, the descriptions clearly indicate that these expenses included postage:

10/16/16	PUBLISHER'S MAILING SERVICE 9126 E Marginal Way S Seattle, WA 98108		mailer postage Jim Cooper for Council
10/16/16	PUBLISHER'S MAILING SERVICE 9126 E Marginal Way S Seattle, WA 98108		mailer postage Kelsey Hulse

So even if the letter “P” was required in this situation, this oversight did not serve to obfuscate the purpose of the expenditure at all, and is, at *most*, a very minor error.

Complaint No.	Allegations
13800 ²	Alleged violations of RCW 42.17A

² The complaint’s header indicates that the PDC ticket number is 13800, but the file we received is labeled 13805. We include this note only out of an abundance of caution, to be quite clear that we are attempting to address each unanswered complaint.

In this complaint, Mr. Morgan alleges—amid extensive rhetoric—that the Committee “flagrantly” violated campaign finance law with respect to the Thurston-Lewis-Mason Labor Council’s contribution on October 7, 2016. This is quite the overstatement.

RCW 42.17A.265 requires that contributions received in the “twenty-one days preceding a general election” be reported via a “special report” to the Commission “within forty-eight hours of the time, *or on the first working day after...* [t]he contribution of one thousand dollars or more is received by the candidate or treasurer...” (emphasis added).

The Committee received the contribution on October 7, deposited it on October 8 (a Saturday), and reported it on October 11 (a Tuesday). It was one day late in its reporting. While the Committee understands the seriousness of abiding by timelines, it certainly did not undertake this course of action with the intent to violate any timelines.

Mr. Morgan also alleges a failure to report legal fees/legal services. That allegation is incorrect, and has been addressed in the Committee’s response dated January 20, 2017 (as it is one of the subjects of Complaint No. 11386, filed by Mr. Morgan).

Complaint No.	Allegations
15186	Alleged violations of RCW 42.17A

This complaint alleges numerous violations of RCW 42.17A, which are full of hateful rhetoric directed towards both the Committee and Mr. Manning. We will address each allegation in turn.

1) *“Failure to report in-kind contribution of PO Box.”*

This allegation is untrue. Creation of a committee requires a bank account to be reflected on the C-1pc, and also requires an address. The Committee was created on September 28, 2016. An account was directed to be opened at WSECU as soon as the first contribution was received, and a PO Box was to be obtained as soon as possible.

The PO Box was obtained on September 30 for \$43.00, paid by Amanda Fisher. The Committee received the first check on October 7th after 5:00 p.m. from Thurston Lewis Mason Labor Council. The checking account was created the next day when this check was deposited. The deposit was reported to the PDC on the 8th.

On the 20th, the Committee issued a check to repay Ms. Fisher the \$43.00 for the PO Box rental. This expense was reported in the C-4 report period covering 10/20 expenses.

There is simply no violation here.

2) *“Failure to report in-kind contribution of mailing list.”*

This allegation is also untrue. The Committee’s consultant, NWP, provided a targeted mailing list as a part of their services—services that were billed, paid for, and timely reported.

3) *“Failure to report the accurate date of contributions received.”*

The Committee only had one error involving noting the dates involving a check, as thoroughly addressed in the Committee’s response dated January 31, 2017. The contribution at issue was reported within 48 hours of receipt, but on the report, the treasurer accidentally cited the date on the check instead of the date of *receipt* of the check—and can prove the date of receipt of this check if required.

However, Mr. Morgan asserts that this one error indicates wide-scale wrongdoing. Mr. Morgan’s only support for his allegation is that he *believes* that this *one* error in reporting equals the Committee “systemically misreported the dates that contributions have been received.”

This allegation is baseless and must be dismissed outright.

4) *“Failure to adequately estimate the cost of legal fees.”*

While the undersigned is flattered that Mr. Morgan believes that the work performed by the Committee’s attorney *must only* be the result of “many more billable hours” than he is reporting, this claim is untrue.

5) *“Failure to report in-kind contribution of administrative assistance.”*

This claim is also incorrect. It is not a contribution to provide services of this nature if the person providing the services is not being paid for such services and the services are solely for the purpose of complying with state election or public disclosure laws. Furthermore, campaign management services, are not a contribution, so long as the individual does not ordinarily charge a fee or receive compensation for providing the service. *See* WAC 390-17-405. Ms. Fisher’s services—for the purpose of complying with public disclosure laws—are not reportable here.

6) *“Failure to disclose offices held.”*

As Mr. Morgan’s own explanation of this allegation admits, this relates directly to Mr. Manning’s actions, and not the Committee.

Conclusion

Setting aside Mr. Morgan’s rhetoric about the Committee and its intentions, the Committee simply wishes it to be known that the Committee attempted to follow the letter and intent of the law in every way. The Committee wishes to rectify any of the mistakes it committed through its inexperience, if the PDC *does* find that any of those errors merit any

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penalty. But due to the limited scope of violations here, aggressive or punitive measures would not support the spirit or intent of the State of Washington's disclosure laws.

If you have any questions, or if there is anything we can do to be of assistance to you, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Ewan", written in a cursive style.

Laura Ewan

cc: Jay Manning (*via email, jmanning@cascialaw.com*)
Walter Smith (*via email, walters@atg.wa.gov*)