



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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Dec. 4, 2018

Delivered electronically to snocodems@gmail.com and halvorson.eric@gmail.com

Subject: Complaint return with warning letter regarding, PDC Case 40870

Dear Snohomish County Democratic Party and Eric Halvorson

Enclosed is a copy of an electronic letter sent to Kelly Wright concerning a complaint filed with the Public Disclosure Commission (PDC) against the Snohomish County Democratic Central Committee.

As noted in the letter to Kelly Wright, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(b), the Snohomish County Democratic Central Committee is hereby formally warned concerning the failure to timely and accurately file Monetary Contribution reports (C-3) and Summary Full Campaign Contributions and Expenditure reports (C-4 reports) in accordance with RCW 42.17A.235 and .240.

This formal written warning comes with the staff's expectation that the Committee will file timely, complete and accurate campaign finance reports in future years as required for a bona fide political party committee under the Full Reporting Option. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

If you have questions, you may contact Alice Fiman at 1-360-586-4746 or toll-free at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

/s _____
Alice Fiman
Compliance Officer

Endorsed by,
/s _____
Peter Lavallee
Executive Director



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Dec. 3, 2018

Delivered electronically to kwright@rockisland.com

Subject: Complaint regarding Snohomish County Democratic Party, PDC Case 40870

Dear Kelly Wright

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 26, 2018, against the Snohomish County Democratic Central Committee (Committee), a bona fide county political party organization registered with the PDC as a committee since at least 1996. Specifically, you alleged that the Committee may have violated RCW 42.17A.235 and .240 by failing to timely file complete and accurate Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contributions and Expenditure reports (C-4 reports) disclosing: (1) the receipt of a \$900 contribution from the 44th Legislative District Democrats; (2) a \$3,000 expenditure for a monetary contribution made to Jared Mead; and (3) the reporting of the Blue Wave Gala event held on September 29, 2018.

PDC staff reviewed the allegations listed in the complaint you filed, the statutes, rules and reporting requirements, the C-3 and C-4 reports filed by the Committee, and the response to the complaint provided by Richard Moralez, former Committee treasurer and Eric Halvorson, current Committee treasurer.

Based on staff's review, we found the following:

- The Committee filed an amended Committee Registration (C-1pc report) on Feb. 26, 2018, selecting the Full Reporting Option and listing Hillary Moralez as Campaign Manager and Richard Moralez as Treasurer.

- For the 2018 election cycle, the Committee was required to file monthly C-3 and C-4 reports for January 1 through June 30, 2018, if the committee has received more than \$200 in contributions or made expenditures of more than \$200 since the last C-4 report was filed. The C-3 and C-4 reports are required by the 10th of the month, disclosing contribution and expenditure activities undertaken in the prior period. Beginning June 1, 2018, the Committee was required to file weekly C-3 reports, and 21-Day, 7-Day and Post-Election C-4 reports for both the primary and general elections.
- On September 25, 2018, the Committee filed the following three C-4 reports late: (1) The 21-Day Pre-Primary Election C-4 report was required to have been filed by July 17, 2018, and disclosed \$2,582 in expenditures that included \$1,750 rental deposit for an annual event, rent, the post office box rental, and telephone; (2) The 7-Day Pre-Primary Election C-4 report was required to have been filed by July 31, 2018, and disclosed \$733 in expenditures that included printing event card invites, insurance, and service fees to process online contributions received; and (3) The Post -Primary Election C-4 report was required to have been filed by September 12, 2018, and disclosed \$4,604 in expenditures that included a \$3,000 monetary contribution made to Jared Mead, a candidate for State Representative in the 44th Legislative District on August 4, 2018, and expenditures related to the upcoming event.
- The Committee disclosed the contribution to Jared Mead 15 days late. (Friends of Jared Mead reported the contribution timely).
- On September 25, 2018, the Committee filed a C-3 report totaling \$2,060 and disclosing five itemized contributions received between June 18 through 21, 2018, that included: (1) the \$900 contribution from the 44th Legislative District Democrat's listed in your complaint; (2) a \$800 contribution from Elizabeth Larson; and (3) a \$300 contribution from the 1st Legislative District Democrat's. The contributions were required to have been disclosed no later than July 2, 2018 and were disclosed 85 days late, and it appears the contributions were not timely deposited within five business days of receipt.
- The Committee responded on October 25, 2018, stating "We have since amended the offending C-3 reports concerning the Blue Wave Gala Fundraiser to more accurately reflect the event." Staff reviewed the information and found that the Committee filed an amended C-3 report (Report # 100868916) on October 25, 2018, disclosing \$2,335 in contributions received on September 29, 2018. The 16-page amended C-3 report

amended the previously filed five-page C-3 report (Report # 100862221) initially filed on October 1, 2018.

- For calendar year 2018, the Committee filed 238 C-3 reports that included 35 amended C-3 reports, and 25 C-4 reports that included 15 amended filings. The majority of the amended reports were filed between October 25 through November 10, 2018, after Eric Halvorson became Committee treasurer.
- Richard Moralez stated he had technical issues and lack of knowledge using the Online Reporting of Campaign Activities (ORCA), the electronic filing software provided by the PDC. Mr. Moralez stated his “full responsibility that my reporting fell behind. Please understand this was not intentional. I had a computer that kept crashing and having to input everything repeatedly. Use of a crashing computer system only added to the problem. I thank all the people that have been helping me to correct this matter and a new oversight finance committee will be selected to keep the Snohomish County Democratic Central Committee (SCDCC) in compliance going forward.”
- Stephanie Vignal, Committee Secretary notified the PDC on October 16, 2018 that Richard Moralez had unexpectedly passed away that week, and his daughter, Hillary Moralez, is the Committee Chair. Ms. Vignal emailed the PDC stating the Committee “will do our best to provide timely reporting and make sure everything is updated properly.”
- On Oct. 17, 2018, the SCDCC filed an amended C-1PC, changing its name to the Snohomish County Democratic Party (Party) and listing Hillary Moralez as Campaign Manager and Eric Halvorson as Treasurer.
- The Committee filed a 21-Day Pre-General Election C-4 report on October 20, 2018, four days late disclosing \$15,3415 in contributions received and \$1,570 in expenditures made. The Committee filed two amendments to this report on November 9 and 10, 2018 respectively.
- The Committee timely filed its 7-Day Pre-General Election C-4 report on October 30, 2018, disclosing \$185 in contributions received and \$39,790.99 in expenditures made.

The Committee filed two amendments to this report on November 9 and 10, 2018 respectively.

Based on these findings, and the extenuating circumstances of the death of the Committee treasurer, staff has determined that in this instance, the failure to timely file C-3 and C-4 reports disclosing contributions and expenditures does not amount to a material violation warranting further investigation.

Pursuant to WAC to WAC 390-37-060(1), the Snohomish County Democratic Central Committee will receive a formal written warning concerning the failure to comply with the reporting requirements and to timely and accurately file C-3 and C-4 reports disclosing contributions and expenditures activities in accordance with RCW 42.17A.235 and .240.

PDC staff has the expectation the Snohomish County Democratic Central Committee will timely file complete and accurate reports in future years in accordance with PDC laws and rules, including the timely depositing of contributions within five business days of receipt.

The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

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 Alice Fiman at 1-360-586-4746 toll-free at 1-877-601-2828, or by e-mail at alice.fiman@pdc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

For Peter Lavallee
Executive Director