

Senator Kevin Ranker
Citizens for Kevin Ranker
PO Box 92
Deer Harbor, WA 98243
kevinr@kevinranker.com

February 24, 2017

Public Disclosure Commission
pdc@pdc.wa.gov

Re: Alleged violations of RCW 42.17A

To Whom It May Concern:

I write in response to Mr. Glen Morgan's complaint concerning my 2016 campaign for State Senate in the 40th legislative district. I appreciate the opportunity to respond. Throughout the course of my campaign, my team and I endeavored to be open and to comply with all applicable legal requirements. We raised and expended over \$140,000 and filed over 100 reports with the Public Disclosure Commission. In the process we have caught some errors, which have always been addressed, including in consultation with the PDC. In other words, we have proceeded in good faith. In contrast, Mr. Morgan's complaint consists mostly of inaccuracies and unfounded claims. Below are my responses to each objection Mr. Morgan has asserted.

1. Filing fee with the Secretary of State's office.

Mr. Morgan's first objection, unlike his others, actually has some credence. Originally, the campaign had planned to pay for the filing fee directly, but I ended up paying the fee. This resulted in a misunderstanding between my treasurer and I over the status of that payment, which was not reported. To address this issue, the campaign's May 2016 C4 has been amended to include my in-kind contribution for the filing fee.

2. Use of campaign funds for campaign purposes.

The 40th legislative district includes many islands and thus requires a great deal of travel to adequately campaign. It is reasonable and legal to be reimbursed for campaign travel costs. All the travel expenses Mr. Morgan has listed were for campaign related events or activities. In each instance we identified the vendor, such as Kenmore Air, the Deer Harbor Marina, or the Fairmont Olympia Hotel. The mileage reimbursements to Clare Spatola-Knoll were for travel related to her managing my campaign. She did keep a mileage log and was reimbursed for travel based on our travel reimbursement policy. Mr. Morgan's suggestion that these expenses were unrelated to the campaign is groundless. We would be happy to provide more detail if desired.

3. Expenditure detail.

- The expenditures Mr. Morgan has listed were each paid to the identified vendor for specified goods or services. The campaign provided more than adequate detail for these lump-sum payments, including payments for the campaign website and for printing costs.
- As to the fourth and fifth items Mr. Morgan has listed, the reimbursements to me were for individual expenses under \$50. If they were broken down further, none of the

reimbursements would itemize. To be open, my campaign reported these expenses anyway, with more detail than was required.

4. Expenditure descriptions.

The purpose of each campaign expenditure at issue is identified in our campaign reports, and more detail can be provided upon request.

- The payments of \$453.00 on September 26, 2013, and \$500 on December 15, 2015, were to Tif & Gif (www.tifandgif.com), a website design company, for the campaign website, specifically design and maintenance.
- The payment of \$127.85 on October 30, 2013, was to Tulio (www.tulio.com), a restaurant, for food, more specifically a meal for a donor meeting. (ORCA expenditure account 5270.)
- The payments made to Blue Utopia (www.blueutopia.com), an online campaign services company, were monthly fees for website and data services, more specifically a web based platform that included the campaign's website donation page and donor data management.
- Two listed payments were for postage from the United States Postal Service, which was used for campaign purposes.
- The payment of \$1000 on May 31, 2016 to Strategies 360 Inc was for the campaign's website, specifically the campaign's initial payment to re-design the website.

In the future, I would be happy to have my campaign include more detail in these reports if desired.

5. Debt reporting.

The items Mr. Morgan has listed either are not debt, were not required to be reported, or have already been properly reported.

- The payment to Strategies 360 for \$6000 on December 5, 2016 was not contractually obligated. After various website-related issues, the campaign was unexpectedly sent this invoice on December 2, 2016 and after some discussion and negotiation we agreed to pay. This was reported once we became aware of it.
- All of the Blue Utopia fees were paid in the same month in which the service was provided. Also, there was no contract for the service, it could be cancelled anytime, and the fees were below the debt reporting threshold. Therefore, these were not applicable as debt.
- The payments to Blue Wave were paid within 30 days of being incurred (and in any case were under the debt reporting threshold). We did report these expenses as debt on C4 reports if the total owed ever went over \$250 or it went past 30 days (see attached C4 report as an example ref code 100733176).
- The payments to NGP Van for software rental were all pre-payments for the next quarter and were not debt.
- The order placed with Printshop Northwest in November for T-Shirts was for supporters on Election Day. Since the expense was incurred after November 1, 2016 it was not reportable as debt on the 7 day pre-general C4 report.
- My travel expenses listed here were incurred for campaign purposes, then reimbursed and reported. None of the expenses exceeded \$250. It appears there was a delay in reimbursement and reporting due to a clerical error, but our reports have already been brought up to date.
- The mileage reimbursements to Clare Spatola-Knoll were reported each month. Ms. Spatola-Knoll traveled a great deal for the campaign as the campaign manager.

- The payment to Clare Spatola-Knoll of \$275.86 on November 2, 2016 was reported as debt on the campaign's 7 day pre-general report (ref code 100733176). It was included with \$469.86 travel reimbursement debt entry.
- The \$500 payment to Clare Spatola-Knoll was for her work closing down the campaign. This payment had not been negotiated ahead of time and was not contractually obligated. Therefore, it was not applicable as debt.
- The payment to Strategies 360 for \$2500 on September 23, 2016 was for a website re-design. Although I did have a campaign website online for the entire campaign, this portion of the work was not done until September 2016. This was not prior debt.
- The payments to Abbot Taylor for treasury consulting were all paid within 30 days of being incurred (and in any case were under the debt reporting threshold). Therefore, these were not applicable as debt.
- The payment for \$2718.39 to the WSDC on November 30, 2016 was for staff services incurred in the month of November. It is common practice to pay staff until the end of the month, not just until Election Day. This was not applicable as debt.
- The payment for \$1634.69 to the WSDC was reported as debt on the campaign's 7 day pre-general C4 report (ref code 100733176).

6. Role of Strategies 360.

Strategies 360 Inc was a vendor used to re-design my website. As a website designer, this vendor did not make any strategic or policy decisions and was not authorized to make expenditures on behalf of my campaign. It did not meet the definition of a committee officer and did not need to be included on my C1.

7. Authorization of campaign expenditures.

As previously stated Strategies 360 Inc was not an officer of my campaign and did not authorize any campaign expenditures.

8. Last minute contributions.

The campaign reported all last minute contributions within the required time frame. The contributions Mr. Morgan claims were not reported prior to the general election were reported on a C3 report on October 28, 2016 within 48 hours of receipt. Please see the attached C3 report (ref code 100731148).

The PDC 2016 filing schedule clearly stated that the pre-primary LMC reports were required for contributions received between July 26, 2016 and August 1, 2016. The contributions Mr. Morgan claims were not reported were received on August 2, 2016, outside of the LMC reporting window. Furthermore, the contributions from Microsoft and Pfizer were under \$1000 and would not have been reported on an LMC even if they had been received during the LMC reporting period.

9. Professional photography.

The campaign did not employ any professional photography services this cycle. Some photographs were used from a prior campaign.

10. Contribution report deadline.

My campaign filed over sixty C3 reports, disclosing over four hundred contributions during the 2016 election cycle. I strive for accuracy in reporting and have done my best to ensure that all contributions are reported in a timely manner. In the fall of 2015, my campaign committee

changed treasurers. During that transition there was a clerical error in one of our deposits. The error was corrected as soon as we were aware of it and we immediately amended the necessary C3 report.

11. Payment to Senate Democratic Campaign Committee.

My campaign contracted with the WSDC for one of their staff members to be my part time campaign manager. Per our agreement, we paid half of that person's salary and payroll taxes, representing her time working solely on my campaign. These payments are a direct reimbursement for staff costs, and are in no way a donation.

12. Surplus funds account.

The unauthorized expenses in question occurred when my previous treasure mistakenly used the campaign's surplus debit card. When she realized the error, she returned the funds to the surplus account. The expenses made in error were reported on the September 2015 C4 report per PDC advice, in an effort to be fully transparent. The reimbursement of these expenses appeared on the C3 report (ref code 100668068) accompanying the October 2015 C4 report.

Thank you again for the opportunity to address this complaint. Please let us know if you have any questions or require any further information.

Sincerely,

Senator Kevin Ranker

CASH RECEIPTS MONETARY CONTRIBUTIONS

C3

(1/02)

THIS SPACE FOR OFFICE USE

100731148

10-28-2016

Candidate or Committee Name (Do not abbreviate. Use full name.)

Kevin Ranker (Citizens for Kevin Ranker)

Mailing Address

PO Box 92

City

Deer Harbor, WA

Zip + 4

98243

Office Sought (candidates)

STATE SENATOR

Election Date

2016

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous		
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c)		
	c. Loans, notes, security agreements. Attach Schedule L		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100: Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
10/26/16	AbbVie PAC 1 N Waukegan Rd North Chicago, IL 60064-1802	,		X	500.00	500.00
	Occupation					
10/26/16	Mary Blackstone 303 Morey Ave Bellingham, WA 98225-6342	,		X	50.00	50.00
	Occupation					
10/26/16	Violet A Boyer 3772 NE 153rd St Lake Forest Park, WA	,		X	100.00	100.00
	Occupation					
10/24/16	Deloitte Services LP 4022 Sells Dr Hermitage, TN 37076-2903	,		X	1,000.00	1,000.00
	Occupation					
10/26/16	Ryan Drum 8 Know Way Waldron, WA 98297	,		X	50.00	50.00
	Occupation					
	<input checked="" type="checkbox"/> Check here if additional pages are attached	Sub-total			1,700.00	*See reverse for details.
		Amount from attached pages			7,100.00	

3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.

8,800.00

4. Date of Deposit

10/28/16

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature

Date

Suzanne Naughton

10-28-2016

Treasurer's Daytime Telephone No.: (206) 682-7328

RECEIPTS CONTINUATION SHEET (Attachment to C-3 Form)

Page 2

Candidate or Committee Name (Do not abbreviate. Use full name.) Kevin Ranker (Citizens for Kevin Ranker)	Deposit Date 10/28/16
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2. CONTRIBUTIONS OVER \$25.00						
Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate Total*
10/26/16	Thomas C Fitzsimmons 5917 Prospector Pl SW Tumwater, WA 98512-1618	, Occupation		X	100.00	100.00
10/26/16	Donna J Mason 3686 S Bay Dr Sedro Woolley, WA 98284-9590	, Occupation		X	100.00	100.00
10/26/16	McBride Public Affairs, LLC 3300 Oldstead Ct SE Olympia, WA 98501-3817	, Occupation		X	500.00	500.00
10/26/16	NW Sportfishing Industry WA PAC PO Box 3236 Oregon City, OR 97045-0322	, Occupation		X	1,000.00	1,000.00
10/26/16	Ingeberg Paulas 285 Morey Ave Bellingham, WA 98225-5419	, Occupation		X	100.00	100.00
10/26/16	Puyallup Tribe of Indians 3009 E Portland Ave Tacoma, WA 98404-4926	, Occupation		X	1,000.00	1,000.00
10/26/16	Deborah A Raas 1929 Lake Crest Dr Bellingham, WA 98229-4510	, Occupation		X	50.00	50.00
10/26/16	Retired Firefighters of 9134 207th Pl SW Edmonds, WA 98026-6659	, Occupation		X	200.00	200.00
10/26/16	Ralph A Rossi 5933 149th Ave SE Bellevue, WA 98006-4611	, Occupation		X	100.00	100.00
10/26/16	Maureen See PO Box 3224 Friday Harbor, WA 98250-3224	Self Employed Friday Harbor, WA Occupation Administrator		X	200.00	200.00
10/26/16	T-Mobile USA, Inc. 12920 SE 38th St Bellevue, WA 98006-7305	, Occupation		X	500.00	500.00

Page Total 3,850.00

SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4 (3/97)	PDC OFFICE USE
	100733176
	11-01-2016

Candidate or Committee Name (Do not abbreviate. Include full name) Kevin Ranker (Citizens for Kevin Ranker)			
Mailing Address PO Box 92		City Deer Harbor, WA	
Zip + 4 98243	Office Sought (Candidates) STATE SENATOR	Election Date 2016	*For PACs, Parties & Caucus Committees: During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?
Report Period Covered 10/18/16	From (last C-4) 10/18/16	To (end of period) 10/31/16	
		Final Report? Yes No X	

RECEIPTS

*See next page Yes No

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	\$	120,257.76
2. Cash received (From line 2, Schedule A)	\$	16,485.00
3. In kind contributions received (From line 1, Schedule B)		0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3)		16,485.00
5. Loan principal repayments made (From line 2, Schedule L)		0.00
6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-)		0.00
7. Net adjustments this period (Combine line 5 & 6)..... Show + or (-)		0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)		136,742.76
9. Total pledge payments due (From line 2, Schedule B).....	0.00	

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)		84,216.43
11. Total cash expenditures (From line 4, Schedule A)		516.54
12. In kind expenditures (goods & services) (From line 1, Schedule B)		0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)		516.54
14. Loan principal repayments made (From line 2, Schedule L)		0.00
15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-)		0.00
16. Net adjustments this period (Combine lines 14 & 15)..... Show + or (-)		0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)		84,732.97

CANDIDATES ONLY			
Won	Lost	Unopposed	Name not on ballot
Primary election <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

(206) 682-7328

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) [Line 18 should equal your bank account balance(s) plus your petty cash balance.]	52,009.79
19. Liabilities: (Sum of loans and debts owed)	2,354.55
20. Balance (Surplus or deficit) (Line 18 minus line 19)	49,655.24

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature Kevin Ranker	Date 11/02/16	Treasurer's Signature Suzanne Naughton	Date 11/02/16
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CASH RECEIPTS AND EXPENDITURE

SCHEDULE to C4

A

(11/93)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

Kevin Ranker (Citizens for Kevin Ranker)

10/18/16

10/31/16

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
10/21/2016	6,600.00	10/31/2016	385.00			
10/21/2016	700.00					
10/28/2016	8,800.00					

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ 16,485.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE
DEFINITIONS
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)
I - Independent Expenditures
L - Literature, Brochures, Printing
B - Broadcast Advertising (Radio, TV)
N - Newspaper and Periodical Advertising
O - Other Advertising (yard signs, buttons, etc.)
V - Voter Signature Gathering

P - Postage, Mailing Permits
S - Surveys and Polls
F - Fundraising Event Expenses
T - Travel, Accommodations, Meals
M - Management/Consulting Services
W - Wages, Salaries, Benefits
G - General Operation and Overhead

3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

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	21.73
10/31/16	Boundary Bay Brewing 1107 Railroad Ave Bellingham, WA 98225-5007		Event Catering	494.81

Total from attached pages \$ 0.00

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 516.54

RECEIPTS CONTINUATION SHEET (Attachment to C-3 Form)

Page 3

Candidate or Committee Name (Do not abbreviate. Use full name.)
Kevin Ranker (Citizens for Kevin Ranker)

Deposit Date
10/28/16

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate Total*
10/26/16	University of WA Education 1501 Capitol Way S, Ste 203 Olympia, WA 98501-2200	, Occupation		X	1,000.00	1,000.00
10/26/16	Vigor Industrial LLC PO Box 4367 Portland, OR 97208-4367	, Occupation		X	250.00	250.00
10/26/16	WA Anglers For Conservation PAC PO Box 14160 Tumwater, WA 98511-4160	, Occupation		X	1,000.00	1,000.00
10/26/16	Washington Hospitality 510 Plum St SE, Ste 200 Olympia, WA 98501-1587	, Occupation		X	1,000.00	1,000.00
		Occupation				
		Occupation				
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Page Total 3,250.00