

Public Disclosure Commission
PO Box 40908
Olympia, WA 98504

Dear Public Disclosure Commission –

Thank you for the opportunity to respond to the complaint filed on December 28th by Mr. Glen Morgan. Below are detailed responses to the complaint:

Issues 1 & 2 - As you can see from the website (www.morriscampaign.com and the screenshot included in the complaint), Rep. Morris has scaled back the content and use of his website because the company that built the website and maintained it (Skagit Valley Herald Web Publishing) is no longer in business. The donation link is outdated as is the content. When the content was scaled down, part of the disclaimer at the top was cut off - you can see the full committee name and address info so the intent to disclose is there. The Paid for by was accidentally deleted in the editing. We believe the last time the website was paid the site was renewed for multiple years. However, because the business has closed, we are having a hard time tracing it down. Rep. Morris is attempting to contact former employees to see how many years of domain renewal was included in the initial launch and if a charge was made during the 2016 election cycle or a charge is forthcoming in a future cycle. It should be noted that on GoDaddy.com, where the domain was originally purchased, a 2-year renewal is between \$15.00-\$20.00 depending on the site name, which would make the fair market value of the domain renewal an “incidental inkind contribution” (below \$25.00) and not subject to reporting.

3. The C1 is required within 2 weeks of spending, raising or obligating the campaign \$200 or more in the aggregate. That threshold wasn't hit until 1/31 when the Argo Strategies invoice for January work was accrued. If our understanding is correct, then this was filed timely. Additionally, the Public Disclosure recently sent out it's end of year/beginning of year new committee filing email. In it, bullet item #3 reads: “Please file the December 2016 C-4 report (due January 10, 2017) prior to setting up 2017. Please complete the 2017 setup process in the month of February or earlier. Waiting until later in the year can make the process more difficult and time consuming.” It would seem to imply that C1s filed in February are just fine. Rep. Morris' was filed before the \$200 threshold was met and in January.

4. The photos used in Rep. Morris' website were used prior to this reporting cycle, which is why there are not shown as reported in this election cycle. One was a professional headshot and one was a shot from a personal camera, not a professional shot that would be reportable.

5. As confirmed with a recent conversation with the Public Disclosure Commission's Kurt Young, this isn't required. I am already listed on the C1 as an officer and Rita Sullivan was not authorized to direct or approve expenses. She was paid a small

stipend once a year to check the PO Box for donations and other items that came to the PO Box.

6. Same as #5. This isn't accurate. I am already listed as an officer and Rita didn't approve any expenses for the campaign.

7. This was also discussed with Kurt Young of the Public Disclosure Commission in regards to a similar complaint filed against Speaker Frank Chopp. Each of these items appears on a Schedule B of the preceding C4. I have attached a few links as examples for the first two debts Mr. Morgan lists (these reports were also filed timely).

- Mr Morgan lists an 8/7/16 payment to Argo Strategies for \$ 2804.59 was listed on the 7/25 C4 as an estimate for \$2655.49 with the same description. Confirmation Report link:
<https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100707736>
- Mr Morgan lists a 10/1/16 payment to Argo Strategies for \$750 for Sept Treasury. The expense was accrued and paid within the same reporting period so there wouldn't be a debt reporting obligation for this payment. Confirmation Report link:
<https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100727797>
- It should also be noted that the July and August payments Mr Morgan lists for the same amount also appear properly and timely on the 8/31 C4. Confirmation Report link here:
<https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100719391>)

It should also be noted that Argo invoices at the end of the month for the preceding month's worth of work. The database fees that he also erroneously includes here are accrued and paid within the same month. They are also below the \$250 reporting threshold. So each of those items is reported properly.

8. As mentioned also in the response to Mr. Morgan's complaint against Speaker Chopp, we have worked under the presumption since the 2002 audit of the four caucus committees that the reporting descriptions we have used have been sufficient and have not heard any feedback in the 15 years since that thorough auditing process that there has been any issue with our reporting descriptions. If the Public Disclosure would prefer us to add more detail to the break downs, we are happy to amend reports to reflect their preferences.

9. In a recent discussion with the Public Disclosure Commission over the same item Mr. Morgan lists in Speaker Chopp's complaint, Kurt Young also confirmed that there is not anywhere in statute that requires itemized logging of miles for travel reimbursements

that Mr. Morgan asserts. In fact, the way both Speaker Chopp and Mr. Morris track their reimbursements appears completely sufficient with the level the PDC requires.

10. Also, this is another assertion that Mr. Morgan makes similar to one listed in Speaker Chopp's complaint (and perhaps others). The PDC has always allowed candidates and treasurers to fix and amend previous reports proactively when data entry, banking, reconciliation, desktop auditing errors are discovered. This report was rectified for within a quick and reasonable time period (two weeks) - which is more than five months sooner than Mr Morgan submitted this complaint.

11. As we've noted on a previous response, the PDC has allowed the way we report refunded contributions because of the nature of our 3rd party software. Their primary concern is showing the contribution was refunded in a timely way, which it was. The contribution was received 7/8/16 and the refund was made on 7/11/16 which was within the 5 business days the PDC wants the refunds made.

12. This claim is also erroneous. In a recent conversation with Kurt Young of the Public Disclosure Commission, donations made to the caucus committee can come from the candidate committee. The use of surplus funds because essential when the threat of comingling future election money is imminent. This surplus donation was paid immediately to the caucus after the primary and is legitimate.

The payment to the Skagit County Dems is also legitimate and is the fair market value for the portion of space Rep. Morris used.

13. We fail to find any section of statute or law that says the cell phone needs to be used exclusively for one use or another. This reimbursement is for his legislative share of non-reimbursed funds - which is a permissibly stated use of surplus funds.

14. The LMC requirement expired at midnight on August 1st, so any contributions that were received on 8/2 (primary day) were not required to have an LMC form. An email sent out by the Public Disclosure Commission on July 21 affirms that the LMC reporting period is from July 26 - Aug 1. Text copy and pasted below:

----- Forwarded message -----

From: **Jennifer Hansen** <jennifer.hansen@pdc.wa.gov>

Date: Thu, Jul 21, 2016 at 9:03 AM

Subject: PDC Filing Reminder - Filing Info for July 25 to Aug 1

To:

**July 26 –
August 1**

Report within 48 hours of receiving of \$1,000 or more in the aggregate from a single source during this 7-day period. (Only contributions – monetary and in-kind – received during the 7-day period are counted for the purpose of this special report.)

Satisfy the 48-hour reporting requirement by EITHER:

- Filing a C-3 report that is submitted/delivered to the PDC within the 48-hour deadline OR
 - Filing a “last minute contribution” report.
- Before July 26, the PDC staff will make an LMC e-filing application available on its homepage, www.pdc.wa.gov, in the Filer Quick Links section. You can also use the link in ORCA to electronically submit the LMC.

We filed an LMC on 11/2 for the Hospitality PAC but for some reason I do not see the one for PNW Carpenters on there. We believed we had filed both...but only one of them is appearing. However, the C3 was filed one business day after the due date for this LMC. And because the PDC is considering raising this threshold substantially, we ask that this oversight is weighed as minor.

15. The F1 was filed a week late.

As you can see from the above response, other than two very minorly late reports (one business day for an LMC and one week for an F1 report), all of the other items in this complaint are erroneous.

On a final note, we have worked closely and diligently with the Public Disclosure for nearly twenty years to maintain an excellent working relationship. We put forth good faith efforts to comply with the law and provide timely and accurate reports for all of our clients. When errors arise or mistakes are made in the whirl of the campaign season, we work proactively to fix those reports.

We kindly ask that the Public Disclosure Commission agree with us that we are substantially in compliance and dismiss this complaint without merit.

Thank you for your consideration,

Jason Bennett, Treasurer
Committee to Elect Jeff Morris