



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH  
RCW 42.17

45<sup>th</sup> Legislative District Democratic  
Central Committee

Respondent.

PDC Case No. 13-020

Report of Investigation

**I.**

**Background**

- 1.1 The 45th Legislative District Democratic Central Committee (45th District Democrats or Committee) has been registered as a bona fide political party committee with the Public Disclosure Commission (PDC) and filing contribution and expenditure reports disclosing committee activities under the Full Reporting option dating back to July of 1992.
- 1.2 As a bona fide political party committee, the 45<sup>th</sup> District Democrats coordinate democratic activities throughout the 45<sup>th</sup> legislative district that include: (1) Endorsing candidates and ballot measures; (2) Conducting legislative district meetings; (3) Organizing and conducting caucus and other party-related events; and (4) Making contributions and directing volunteers and resources to support democratic candidates.
- 1.3 On April 18, 2012, the 45th District Democrats filed an amended Committee Registration (C-1pc report) as a continuing bona fide political party committee under the Full Reporting option, and listing Trent Latta as the chairperson, and Ian Jacobson as the committee treasurer. **See Exhibit #1.**
- 1.4 On October 24, 2012, the 45<sup>th</sup> District Democrats filed an amended C-1pc report as a continuing bona fide political party committee listing Trent Latta as the chairperson, and Eric Laliberte as the committee treasurer. **See Exhibit #2.**
- 1.5 On October 19, 2012, Kevin Carns, Political Director, House Republican Organizational Committee, filed a 45-day Citizen Action Letter with the Washington State Attorney General (AGO) pursuant to RCW 42.17A.765(4) against the 45th Legislative District Democratic Central Committee, alleging violations of RCW 42.17A for failure to timely

file reports of contribution and expenditure activity undertaken during the 2012 election cycle. See **Exhibit #3**.

- 1.6 The King County Prosecuting Attorney's Office received the Citizen Action Letter on October 22, 2012. Also on October 22, 2012, the AGO referred the Citizen Action Letter to the PDC for investigation.

## II.

### 45-Day Citizen Action Letter Allegations

- 2.1 The Citizen Action Letter alleged that the 45th District Democrats:
  - A. **Failed to timely file contribution and expenditure reports.** The complaint alleged that that the Committee failed to file multiple contribution and expenditure reports during the 2012 election cycle, as required by RCW 42.17A.235 and 42.17A.240. The complaint cited Monetary Contribution reports (C-3 report) timely filed by Roger Goodman, a candidate for State Representative in the 45<sup>th</sup> Legislative District, disclosing contributions totaling \$22,000 received from the 45<sup>th</sup> District Democrats as follows: (1) A \$4,500 contribution received on July 22, 2012; (2) A \$4,000 contribution received on October 5, 2012; and (3) A \$13,500 contribution received on October 15, 2012.
  - B. **Deliberately concealed the sources of its contributions and expenditures.** The complaint alleged that the Committee, through its failure to timely file such reports, deliberately concealed the sources of its major contributions and expenditures, in violation of RCW 42.17A.435.

## III.

### Findings

- 3.1 During the first six months of 2012, a bona fide political party committee under the Full Reporting option, was required to file monthly C-3 reports and Summary Contribution and Expenditure reports (C-4 reports) by the 10<sup>th</sup> of every month or reporting period, if the committee had received \$200 in contributions or made \$200 in expenditures since the last C-4 report was filed.
- 3.2 Staff reviewed the C-3 and C-4 reports filed by the 45<sup>th</sup> District Democrats, and information found in the PDC database. Based on staff's review, the 45<sup>th</sup> District Democrats filed the following reports with the PDC before October 19, 2012, the date the 45-day Citizen Action Letter was filed with the Attorney General:

- **January 2012 C-4 report:** On May 10, 2012, the 45<sup>th</sup> District Democrats filed a C-4 report for the month of January 2012, disclosing that no contributions had been received and \$464 in expenditures had been made for room rentals for precinct caucus activities and for the rental of a post office box. The C-4 report was filed 90 days late.
- **February 2012 C-4 report:** On May 10, 2012, the 45<sup>th</sup> District Democrats filed a C-4 report for the month of February 2012, disclosing that no contributions had been received and \$212 in expenditures had been made for room rentals for precinct caucus activities. The C-4 report was filed 61 days late.
- **March 2012 C-4 report:** On May 10, 2012, the 45<sup>th</sup> District Democrats timely filed a C-4 report for the month of March 2012, disclosing that no contributions had been received and \$25 in non-itemized expenditures had been made. This C-4 report was timely filed because March 2012 contributions and expenditures were less than \$200, and contributions in April 2012 exceeded \$200.
- **April 2012 C-3 report:** On May 10, 2012, the 45<sup>th</sup> District Democrats timely filed a C-3 report disclosing that \$1,328 in contributions had been received and deposited on April 21, 2012. There were 22 itemized contributions totaling \$860 from individuals, and \$468 in small contributions from 28 un-itemized contributors.
- **April 2012 C-4 report:** On May 10, 2012, the 45<sup>th</sup> District Democrats timely filed a C-4 report for the month of April 2012, disclosing that \$1,328 in contributions had been received and \$1,461 in itemized expenditures had been made for caucus activities.
- **January – March 2012 C-3 report:** On July 6, 2012, the 45th District Democrats filed a C-3 report totaling \$1,345, which listed multiple dates for the receipt of small itemized contributions from members during the period January 29 through March 7, 2012. **See Exhibit #4.** The C-3 report disclosed that the funds were deposited on May 1, 2012, which is more than five business days from the date of receipt (RCW 42.17A.220). Based on the date received for the contributions (excluding the \$468 in un-itemized contributions from 28 contributors listed on line 1e of the C-3 report), the 45th District Democrats were required to file two C-3 reports as follows:
  1. A C-3 report totaling \$505 on March 12, 2012, disclosing contributions received from 12 individuals between January 29 and February 1, 2012. The contribution information contained on the C-3 report was filed 116 days late;

2. A C-3 report totaling \$80 on April 10, 2012, disclosing contributions received from two individuals on March 7, 2012. The contribution information contained on the C-3 report was filed 87 days late
- 3.3 The C-3 and C-4 reports filed by the 45th District Democrats covering the period of January through April of 2012, disclosed that the committee had received contributions totaling \$2,673 and made expenditures totaling \$2,162.

**Alleged failure to timely file C-3 Reports (RCW 42.17A.235 and 42.17A.240)**

3.4 In addition to the monthly C-3 reporting referred to above, bona fide political party committees such as the 45th District Democrats that are under the Full Reporting option and participating in the 2012 election cycle, must file weekly C-3 reports every Monday beginning four months prior to the election. For the 2012 election cycle, the weekly C-3 reporting began on June 1, 2012, for the purpose of disclosing contributions that were received and deposited for the previous five business days.

3.5 The 45th District Democrats filed 14 C-3 reports between October 22 and <sup>November 1, 2012</sup> October 25, 2012, totaling \$31,978. The C-3 reports disclosed monetary contributions, and the proceeds from several low cost fundraisers, that had been received and deposited from February 1 through November 1, 2012, as detailed in the chart below.

Date Received	Date Deposited	Large Contributors	Total	Date C-3 Report Due	Date C-3 Report Filed	Days Late
2/1/2012	2/22/2012	17 small contributors	\$ 660	3/12/2012	10/25/2012	227
3/7/2012	3/7/2012	2-small contributors	\$ 125	4/10/2012	10/25/2012	198
3/14/2012	3/14/2012	Anonymous	\$ 260	4/10/2012	10/25/2012	198
5/15/2012	5/15/12	Low Cost Fundraiser: \$505; 20 small contributors	\$ 1,470	6/11/2012	10/23/2012	136
5/25/2012	5/25/2012	4 small contributors	\$ 115	6/11/2012	10/23/2012	134
7/20/2012	7/20/12	Harry Truman Fund (\$4,500)	\$ 4,700	7/23/2012	10/22/2012	91
8/15/2012	8/15/2012	King Co Democrats (\$350)	\$ 350	8/20/2012	10/23/2012	64
8/27/2012	8/27/2012	Eastside Democratic Dinner Committee	\$ 3,250	9/3/2012	10/23/2012	52
9/17/2012	9/17/2012	N/A: LCF	\$ 48	9/24/2012	10/22/2012	28
10/4/2012	10/4/2012	WA Fed. Of State Employees (\$4,000)	\$ 4,000	10/8/2012	10/22/2012	14
10/15/2012	10/15/2012	Justice For All (\$4,500)	\$ 5,500	10/22/2012	10/22/2012	0
10/15/2012	10/15/2012	Roosevelt Fund (\$4,500); SEIU WA PAC (\$3,500)	\$ 8,000	10/22/2012	10/23/2012	1

10/23/2012	10/23/2012	UFCW 21 PAC	\$ 1,500	10/23/2012	10/23/2012	0
11/1/2012	11/1/2012	WEA PAC	\$ 2,000	11/5/2012	11/1/2012	0
<b>Totals</b>			<b>\$ 31,978</b>			

3.6 All 14 C-3 reports were filed by the 45th District Democrats prior to the November 6, 2012 general election. Three of the 14 C-3 reports, totaling \$9,000, were timely filed, and disclosed that two contributions of more than \$1,000 were received within the 21-days of the 2012 general election. Both of these “Last Minute” contributions were timely disclosed on a C-3 report within 48 hours of receipt, as required, in lieu of filing a Last Minute Contribution report.

3.7 The remaining 11 C-3 reports were filed between 1 and 227 days late and totaled \$22,978. **See Exhibit #5.** Of those 11 late-filed C-3 reports, four totaled \$19,950 and were filed as follows:

- One C-3 report totaling \$8,000 was filed one day late, disclosing a \$4,500 contribution from the Roosevelt Fund, and a \$3,500 contribution from SEIU WA PAC;
- One C-3 report totaling \$4,000 was filed 14 days late, disclosing a \$4,000 contribution from the Washington Federation of State Employees;
- One C-3 report totaling \$3,250 was filed 52 days late, disclosing a \$3,250 contribution from the Eastside Democratic Dinner Committee; and
- One C-3 report totaling \$4,700 was filed 91 days late, disclosing a \$4,500 contribution from the Harry Truman Fund.

**Alleged failure to timely file C-4 Reports (RCW 42.17A.235 and 42.17A.240)**

3.8 Under the Full Reporting option, bona fide political party committees participating in the 2012 election were required to file C-4 reports as follows:

- Monthly C-4 reports are required to be filed by the 10<sup>th</sup> of every month or reporting period, if the political committee has received \$200 in contributions or made \$200 in expenditures since the last C-4 report was filed;
- A 21-day pre-primary election C-4 report was required to be filed on July 17, 2012, covering the period June 1 through July 16, 2012;
- A 7-day pre-primary election C-4 report was required to be filed on July 31, 2012, covering the period July 17 through July 30, 2012;

- A post-primary election C-4 report was required to be filed no later than September 10, 2012, covering July 31 through August 31, 2012.
- A 21-day pre-general election C-4 report was required to be filed on October 16, 2012, covering the period September 1 through October 15, 2012; and
- A 7-day pre-general election C-4 report was required to be filed on October 30, 2012, covering the period October 16 through October 29, 2012.

3.9 On October 23, 2012, the 45th District Democrats filed five C-4 reports covering May 1 through October 15, 2012, which include the 21-day and 7-day pre-primary election C-4 reports and the 21-day pre-general election C-4 report as detailed below. **See Exhibit #6.**

- **May 2012 C-4 report:** On October 23, 2012, the 45th District Democrats filed a C-4 report for the month of May 2012, disclosing that \$1,585 in contributions had been received and \$1,216 in expenditures had been made for caucus activities. The C-4 report was required to be filed no later than June 11, 2012, and was filed 134 days late.
- **21-day pre-primary election C-4 report:** On October 23, 2012, the 45th District Democrats filed the 21-day pre-primary election C-4 report covering the period June 1 through July 16, 2012, and disclosing no contributions had been received (\$.28 in bank interest), and \$1,696 in expenditures had been made for fundraisers and party building activities. The 21-day pre-primary election C-4 report was required to be filed no later than July 17, 2012, and was filed 98 days late.
- **7-day pre-primary election C-4 report:** On October 23, 2012, the 45th District Democrats filed the 7-day pre-primary election C-4 report covering the period July 17 through July 30, 2012, disclosing that \$4,700 in contributions had been received, and \$4,850 in expenditures had been made that included a \$4,500 monetary contribution for the Friends of Roger Goodman made on July 25, 2012. The 7-day pre-primary election C-4 report was required to be filed no later than July 31, 2012, and was filed 84 days late.
- **Post-primary election C-4 report:** On October 23, 2012, the 45th District Democrats filed the post-primary election C-4 report covering the period July 31 through August 31, 2012, and disclosing that \$3,600 in contributions had been received, and \$927 in expenditures had been made which included a \$629 expenditure for printing a voter's guide. The post-primary election C-4 report was required to be filed no later than September 10, 2012, and was filed 43 days late.

- **21-day pre-general election C-4 report:** On October 23, 2012, the 45th District Democrats filed the 21-day pre-general election C-4 report covering the period September 1 through October 15, 2012, and disclosing that \$17,548 in contributions had been received, and \$18,161 in expenditures had been made. The \$18,161 in expenditures included a \$4,000 monetary contribution made to the Friends of Roger Goodman on October 5, 2012, and a \$13,500 monetary contribution made to the Friends of Roger Goodman on October 15, 2012. The 21-day pre-general election C-4 report was required to be filed no later than October 16, 2012, and was filed seven days late.

3.10 The C-4 reports filed by the Friends of Roger Goodman disclosed his campaign received contributions totaling \$244,840 through October 29, 2012. The \$20,300 in total contributions from the 45<sup>th</sup> District Democrats to the Friends of Roger Goodman (which includes an additional \$1,800 contribution made on November 4, 2012) represented 8.3 percent of the total contributions Mr. Goodman received.

3.11 **7-day pre-general election C-4 report:** On October 29, 2012, the 45th District Democrats timely filed the 7-day pre-general election C-4 report covering the period October 16 through October 29, 2012, and disclosing that \$1,500 in contributions had been received, and \$3,195 in expenditures had been made for the printing and mailing of a voter's guide. The 7-day pre-general election C-4 report disclosed the 45th District Democrats received monetary and in-kind contributions totaling \$34,816, and made committee expenditures totaling \$32,409 as reported through October 29, 2012.

### **Response from Trent Latta, Chair of 45th District Democrats**

3.12 On October 29, 2012, Trent Latta, Chair of the 45<sup>th</sup> District Democrats, submitted his response to the 45-day Citizen Action Letter. **See Exhibit #7**. Mr. Latta stated that the 45<sup>th</sup> District Democrats is a grassroots organization that is entirely run by unpaid volunteers. He stated the party committee does not hire or use paid consultants or have trained campaign workers to assist with PDC compliance, but instead the committee relies on members volunteering their time.

3.13 Mr. Latta stated that the 45<sup>th</sup> District Democrats deeply regret the lack of timeliness in filing the C-3 and C-4 reports during the 2012 election cycle. He stated that the lapse in the committee reporting its contributions and expenditure activities is due to recent organizational changes related to redistricting, and an *“oversight caused by the inexperience of its recently elected treasurer and its new chair as well.”*

3.14 Mr. Latta stated that the 2012 statewide redistricting efforts left the 45<sup>th</sup> District Democrats *“ruffled and without the practiced leadership it had in years past.”* He

stated that redistricting resulted in several vacancies among the executive board positions, including the chair position. He stated that as a result of redistricting, he volunteered and became chair in January of 2012 ***“without a comprehensive understanding of public disclosure requirements.”*** He stated that based on his lack of knowledge concerning issues related to the PDC, he relied on the party treasurer to comply with the PDC filing requirements.

- 3.15 Mr. Latta stated that Ian Jacobsen, the 45<sup>th</sup> District Democrats previous treasurer, was running a Congressional campaign in the 1<sup>st</sup> Congressional District during the first six months of 2012, which consumed the majority of his time. He stated Mr. Jacobsen formally resigned his position as treasurer in April of 2012, and that he was replaced by Eric Laliberte. Mr. Latta stated that ***“There was, admittedly, an extended lapse in the 45<sup>th</sup> District Democrat’s reporting, and that during the period of July 6 through October 23, 2012, the party committee failed to file the required C-3 and C-4 reports as required.”***
- 3.16 Mr. Latta stated that the members of the 45<sup>th</sup> District Democrats failed to notice it was not in compliance with the PDC reporting requirements until the complaint was filed. He stated that as soon as the 45<sup>th</sup> District Democrats became aware of its lack of reporting, the ***“organization’s leadership took immediate action to remedy the mistake.”*** He also noted that the 45<sup>th</sup> District Democrats has not been the subject of any prior PDC complaints.

#### **Alleged concealment of sources of contributions and expenditures (RCW 42.17A.435)**

- 3.17 The complaint alleged that the 45<sup>th</sup> District Democrats, through its failure to timely file C-3 and C-4 reports, deliberately concealed the sources of its major contributions and expenditures, in violation of RCW 42.17A.435, which states ***“no contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment.”***
- 3.18 Mr. Latta denied that the late reporting was evidence of the committee’s ***“intent to hide the source of contributions and expenditures...”*** He stated the 45<sup>th</sup> District Democrats’ late reporting of contributions and expenditures was an oversight, but that ***“its late reporting is not evidence of any larger scheme to conceal campaign money.”***
- 3.19 Mr. Latta said the “relevant information” about the 45<sup>th</sup> District Democrats’ source of contributions received and expenditures made were available to the public between October 23 and October 25, 2012, prior to the November 6, 2012 general election. He stated the 45<sup>th</sup> District Democrats had nothing to hide by failing to timely file its C-3 and

C-4 reports, and said there was nothing for the party to gain by failing to file its campaign finance reports.

- 3.20 The public was aware of the contributions made by the 45<sup>th</sup> District Democrats because Friends of Roger Goodman timely filed its C-3 reports disclosing the receipt of three monetary contributions from the 45<sup>th</sup> District Democrats totaling \$22,000. The majority of the larger contributions received by the 45<sup>th</sup> District Democrats during the 2012 election were made by political committees registered and reporting with the PDC, including the Harry Truman Fund, the Roosevelt Fund, WEA PAC, SEIU WA PAC, and the Eastside Democratic Dinner Committee. The Washington Federation of State Employees is a Lobbyist Employer.

#### **IV.**

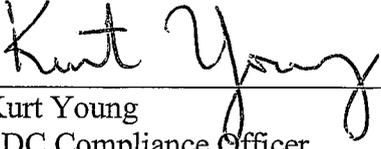
##### **Scope**

- 4.1 Staff reviewed the Citizen Action Letter filed against the 45<sup>th</sup> District Democrats and the documents that were submitted along with the letter.
- 4.2 Staff reviewed the C-3 and C-4 reports filed by the 45<sup>th</sup> District Democrats.
- 4.3 Staff reviewed the October 29, 2012, response prepared by Trent Latta on behalf of the 45<sup>th</sup> District Democrats to the allegations listed in the Citizen Action Letter.

##### **V. Law**

- 5.1 **RCW 42.17A.235** states that **RCW 42.17A.240** require political committees, including bona fide political party committees, to timely and accurately file reports of contributions and expenditures, including the disclosure of contributions made to candidates for public office. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.
- 5.2 **RCW 42.17A.435** states that no contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment.

Respectfully submitted this 26<sup>th</sup> day of November, 2012.

  
Kurt Young  
PDC Compliance Officer

**List of Exhibits**

- Exhibit #1** Amended Committee Registration (C-1pc report) filed by the 45<sup>th</sup> District Democrats on April 18, 2012.
- Exhibit #2** Amended C-1pc report filed by the 45<sup>th</sup> District Democrats on October 24, 2012.
- Exhibit #3** 45-day Citizen Action Letter filed by Kevin Carns against the 45th Legislative District Democratic Central Committee on October 19, 2012.
- Exhibit #4** July 6, 2012, C-3 report filed by the 45th District Democrats.
- Exhibit #5** 14 C-3 reports filed by the 45th District Democrats between October 22 through November 1, 2012.
- Exhibit #6** Five C-4 reports were filed on October 23, 2012, by the 45th District Democrats covering the period May 1 through October 15, 2012.
- Exhibit #7** October 29, 2012, response from Trent Latta, Chair of the 45<sup>th</sup> District Democrats to the 45-day Citizen Action Letter.