

Executive Summary and Staff Analysis
45th Legislative District Democratic Central Committee
PDC Case No. 13-020

This summary highlights staff's findings, conclusions, and recommendations regarding the allegations contained in PDC Case No. 13-020, a 45-day citizen action letter (Citizen Action Complaint) filed on October 19, 2012 by Kevin Carns, Political Director, House Republican Organizational Committee against the 45th Legislative District Democrats Central Committee (45th District Democrats). The Citizen Action Complaint was filed with the Washington Attorney General's Office and the King County Prosecuting Attorney's Office, and referred to the PDC for investigation and possible action.

Allegations

The Citizen Action Letter alleged that the 45th District Democrats violated RCW 42.17A as follows:

- A. **Failed to timely file contribution and expenditure reports.** The complaint alleged 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 45th Legislative District, disclosing contributions totaling \$22,000 received from the 45th District Democrats between July and October, 2012, that were not reported as expenditures by the 45th District Democrats.

- 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.

Applicable Statutes

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, Summary Contribution and Expenditure Reports (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.

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.

Investigative Findings

The 45th District Democrats have been registered as a bona fide political party committee with the PDC and filing contribution and expenditure reports disclosing committee activities under the Full Reporting option since July 1992.

Late C-4 Reports

Late-filed C-4 reports totaled \$27,433 in contributions received and \$27,526 in expenditures made, and were filed between seven and 134 days late. During the 2012 election cycle, the 45th District Democrats filed the following C-4 reports late:

- **January 2012 C-4 report:** On May 10, 2012, the 45th 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 due by February 10, 2012, and was filed 90 days late.
- **February 2012 C-4 report:** On May 10, 2012, the 45th 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 due by March 10, 2012, and was filed 61 days late.
- **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 \$1,585 in contributions received and \$1,216 in expenditures made for caucus activities. The C-4 report was due by 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 disclosing no contributions received and \$1,696 in expenditures made for fundraisers and party-building activities. The 21-day pre-primary election C-4 report was due by 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 \$4,700 in contributions received and \$4,850 in expenditures made. The expenditures included a \$4,500 monetary contribution to the Friends of Roger Goodman made on July 25, 2012. The 7-

day pre-primary election C-4 report was due by 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 disclosing \$3,600 in contributions received and \$927 in expenditures made. The expenditures included \$629 for printing a voters' guide. The post-primary election C-4 report was due by 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 disclosing \$17,548 in contributions received and \$18,161 in expenditures made. The expenditures included a \$4,000 monetary contribution 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 due by October 16, 2012, and was filed seven days late.

Late C-3 Reports

Late-filed C-3 reports totaled \$23,563 and were filed between one and 227 days late. On July 6, 2012, the 45th District Democrats filed a C-3 report totaling \$1,345 listing multiple dates for the receipt of small itemized contributions from members during the period January 29, 2012 through March 7, 2012. Based on this filing, staff determined the 45th District Democrats failed to timely file C-3 reports as follows:

- **January – February 2012 contribution activity:** Contributions totaling \$505 were received from 12 individuals between January 29, 2012 and February 1, 2012. The contribution information was due by March 12, 2012, and was filed 116 days late.
- **March 2012 contribution activity:** Contributions totaling \$80 were received from two individuals on March 7, 2012. The contribution information was due by April 10, 2012, and was filed 87 days late.

Between October 22 and November 1, 2012, the 45th District Democrats filed 14 C-3 reports totaling \$31,978, disclosing monetary contributions and the proceeds from several low cost fundraisers that had been received and deposited from February 1 through November 1, 2012.

Based on these filings, staff determined the 45th District Democrats failed to timely file 11 C-3 reports for contributions received from February 1, 2012 through October 15, 2012. These reports were filed between 1 and 227 days late and totaled \$22,978. Four of these 11 late-filed C-3 reports totaled \$19,950, and were filed late 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 concealment of sources of contributions and expenditures

Trent Latta, Chair of the 45th District Democrats, denied that the late reporting was evidence of an ***“intent to hide the source of contributions and expenditures...”*** He stated the 45th 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.”***

The information about the 45th 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.

The identity of the 45th District Democrats as the source of contributions to Roger Goodman was publicly known because Friends of Roger Goodman timely filed its C-3 reports disclosing the receipt of three monetary contributions from the 45th District Democrats totaling \$22,000. The majority of the larger contributions received by the 45th 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. One contributor, the Washington Federation of State Employees, is a Lobbyist Employer. These sources of contributions to the 45th District Democrats were available to the public through the contributors’ filings.

No evidence was provided or found that the 45th District Democrats reported any of the contributions it received or expenditures it made in a fictitious name, anonymously, or 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.

Enforcement Action for Failing to Timely Report Contributions and Expenditures

On November 26, 2012, PDC staff issued a Notice of Administrative Charges and is bringing an enforcement action to the Commission on December 6, 2012 against the 45th District Democrats for failing to timely file multiple C-3 and C-4 reports disclosing contribution and expenditures activities undertaken during the 2012 election cycle. The enforcement action alleges that late-filed C-3 reports totaled \$32,563 and were filed between one and 227 days late, and that late-filed C-4 reports totaled \$27,433 in contributions received and \$27,526 in expenditures made, and were filed between seven and 134 days late.

Conclusion:

The evidence shows that the 45th District Democrats violated RCW 42.17A.235 and 42.17A.240 by filing multiple C-3 reports totaling \$32,563 between one and 227 days late, and by filing multiple C-4 reports totaling \$27,433 in contributions received and \$27,526 in expenditures made, between seven and 134 days late.

There is no evidence that the 45th District Democrats violated RCW 42.17A.435 by concealing the sources of its contributions and expenditures.

Recommendation

PDC staff recommends that the Commission:

- 1) Take appropriate enforcement action against the Committee in response to the late filing violations of RCW 42.17A.235 and 42.17A.240;
- 2) Dismiss the allegations regarding concealment; and
- 3) Recommend to the Attorney General and Prosecuting Attorney that no further action be taken.