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Sent via email to pdc@pdc.wa.gov

August 14, 2018

Micaiah Titus Ragins
Public Disclosure Commission
711 Capitol Way S. #206
PO BOX 40908
Olympia, WA 98504-0908

RE: United Food & Commercial Workers Local 1439 ABC Fund - Alleged Violations
of RCW 42.17A
SCBIL File No. 3317-009

Dear Mr. Ragins:

On behalf of the United Food & Commercial Workers Local 1439 ABC Fund (“ABC Fund”), we are hereby responding to the allegations raised by Glen Morgan in the above-referenced matter.

Mr. Morgan’s claim that ABC Fund “has habitually and willfully committed frequent and multiple violations of RCW 42.17A” is flatly untrue. Furthermore, his assertion that he has “reason to believe”—without a *shred* of supporting evidence—that ABC Fund has committed *other* violations of the Act is also false.

Each item he does outline in the attachment to his complaint is either a technical correction *or* a remedial violation that has already been remedied and addressed. Setting all rhetoric aside, there is no item cited in Mr. Morgan’s complaint requiring further inquiry or action from the PDC—and certainly not to the degree Mr. Morgan’s complaint unjustly asserts.

The intent of RCW 42.17A “is not to trap or embarrass people when they make honest remediable errors.” 2018 c 304 § 1. There is nothing beyond a remedial error that occurred here, and each error or issue was immediately corrected upon its discovery. And at all times material to the facts of this case, ABC Fund has worked with the PDC to update and correct its filings, regularly consulting with the PDC to ensure full compliance. Finally, ABC Fund has taken active steps to implement systems to ensure that it remains in compliance with Washington law. Therefore, all of Mr. Morgan’s allegations should be dismissed.

We hereby address his complaint (“Failure to file accurate, timely C3 and C4 reports”) by year, as follows:

2015

The reports cited by Mr. Morgan in 2015 (items #108-119 on “Exhibit A”) address deposit reports (of small contributions totaling between \$4.35 and \$443 per report) that were due in October but were instead filed in early November. Once the committee realized its error, it immediately fixed the issue—in *less than one month* from the due date. Mr. Morgan’s rhetoric about the gravity of the circumstances surrounding these filings is frivolous and overstated.

ABC Fund’s actions here show a clear intent to comply with “maximum transparency to the public and voters so they may know who is funding political campaigns and how those campaigns spend their money.” 2018 c 304 § 1. In addition, each committee receiving contributions from Local 1439 *also* reports the receipt of each contribution, creating a built-in failsafe to ensure timely transparency of funds. It cannot be said that ABC Fund’s actions “materially impact[ed] the public interest” in any way. RCW 42.17A.005(51).

These are clear examples of, at most, remedial violations, as they have already been corrected; involved amounts totaling no more than the contribution limits set out under RCW 42.17A.405(2) per election; did not constitute material violations because they were inadvertent and minor or otherwise have been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter; and, most importantly, did not materially affect the public interest.

This does not warrant further investigation or inquiry by the PDC. Therefore, the portion of this complaint referring to allegations surrounding reports submitted in 2015 should be dismissed.

2016

Mr. Morgan’s allegations about ABC Fund’s 2016 filings are similarly overstated. Item #79 is incorrectly identified as being filed late because an amended report was filed, when in actuality this is merely a technical correction to ensure transparency. The initial report was indeed timely (filed a day early).

	Report #	100711063	100706868
	Amends	→	N/A
	Due Date	-	7/12/2016
	Date Submitted	7/26/2016	7/11/2016
Receipts	C4 Line		
Previous cash	1	\$57,128.74	\$57,128.74
Cash received	2	\$2,604.05	\$2,354.85
Total contributions	4	\$2,604.05	\$2,354.85

Total cash	8	\$59,732.79	\$59,483.59
Expenditures	C4 Line		
Previous			
cash	10	\$3,269.99	\$3,269.99
Total cash	11	\$14,826.00	\$14,826.00
Change from previous		\$249.20	

Each report shows essentially the same information, with one adjustment in a dollar amount smaller than the contribution limits set out in RCW 42.17A.405(2). These are clear examples of technical corrections, and they do not warrant further investigation or inquiry by the PDC. The same is true for the other reports cited by Mr. Morgan in 2016.

There were a few months in 2016 where ABC Fund got behind in its filing. However, each time, ABC Fund fixed the issue—between just over one week to about one month from the due date. And a substantial number of reports identified by Mr. Morgan (22, to be precise) were filed between one and seven days late.¹

Again, these are clear examples of, at most, remedial violations, as they have already been corrected; involved small dollar amounts; did not constitute material violations because they were inadvertent and minor or otherwise have been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter; and did not materially affect the public interest.

Therefore, the portion of this complaint referring to allegations surrounding reports submitted in 2016 should likewise be dismissed.

2017

Mr. Morgan’s allegations about 2017 are also overstated. First, Mr. Morgan cites three amended reports that follow the same approach as cited above, whereby the amendments themselves are minor and do not actually impact transparency in elections. If the PDC wishes further clarification on any individual filing, we will happily provide it, but we will not repeat additional examples of the incorrect characterization repeatedly utilized by Mr. Morgan herein.

ABC Fund started off strong in 2017. But due to training and staffing issues, ABC Fund encountered some difficulties in the second half of 2017. However, even under these circumstances, almost half (24) of the 55 reports identified by Mr. Morgan were filed two weeks late or less, and 46 of the 55 were filed one month late or less. Most importantly, ABC Fund has undergone substantial changes in policy and protocol to prevent this from happening in the future, and those responsible for filing will be undergoing additional training this summer.

¹ For Items #87 and #90, he identifies the Fourth of July as the due date for this report, ignoring the fact that this date is a holiday, and causing an inaccurate “count” for number of days late.

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Under these circumstances, ABC Fund should not be punished to the degree that Mr. Morgan would no doubt dream of. Even the events of 2017 show, at most, remedial violations, as they have already been corrected; involved small dollar amounts; did not constitute material violations because they were inadvertent, minor, and/or otherwise have been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter; and, again, did not materially affect the public interest.

Conclusion

The Committee wishes that it be known that it has taken steps to ensure that all subsequent filings are timely and comport with the requirements of the law. Ultimately, none of the reports cited by Mr. Morgan in his complaint materially affected the public interest in transparency in elections. Further proceedings would simply not serve the purposes of this chapter.

With respect to Mr. Morgan's utterly unfounded claim that any of the above actions, if found to be violations of the law, were done with malice as contemplated by RCW 42.17A.750(2)(c): there has been absolutely no malicious action undertaken by the Committee. Alleging the mere "possibility" that violations have been committed—with the serious multiplier of allegations of malice—does not amount to sufficient grounds for the criminal prosecution that Mr. Morgan is seeking.

We look forward to working with the PDC to resolve this matter. Please let us know if we can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Ewan", written in a cursive style.

Laura Ewan

Attorneys for ABC Fund