

# Schwerin Campbell Barnard Iglitzin & Lavitt LLP

ATTORNEYS AT LAW

*Of Counsel* Lawrence Schwerin

LAURA EWAN  
ewan@workerlaw.com

*Sent via email to KellyR@atg.wa.gov*

March 14, 2018

Kelly Reese Harmon  
Assistant Attorney General  
Washington Attorney General's Office  
P.O. Box 40100  
Olympia, WA 98504-0100

RE: King County Democratic Central Committee (2) —Alleged Violations of RCW  
42.17A  
SCBIL File No. 6810-002

Dear Ms. Harmon:

On behalf of the King County Democratic Central Committee (“the Committee”), we are hereby responding to the allegations raised by Glen Morgan in the above-referenced matter.

Mr. Morgan’s latest allegations are absolutely unfounded, as described herein. He relies on hearsay and unsubstantiated assertions to support his claims. And finally, as if to bolster his claim, he merely “copy/pastes” claims that are already the subject of King County Superior Court Case No. 17-2-02836-34, which your office is familiar with (as it was your office that filed the lawsuit). To the extent he seeks to embark on a fishing expedition, he should not enlist the help of the Attorney General and its limited resources to do so. We therefore believe that the allegations in this complaint should be dismissed outright.

We address the specific claims that were made against the Committee by Mr. Morgan in turn, as follows:

- 1. “Failure to include certain obligations and expenses in C4 reports filed with the PDC. (Violation of RCW 42.17A.235 & .240) Please note, this explicitly appears willful and a deliberate attempt to deceive the public on the true financial state of the King County Democratic Central Committee”***

Citing an article in The Stranger,<sup>1</sup> Mr. Morgan alleges that the Committee has been omitting or failing to report obligations and expenses. His first implication is that the Committee is engaging in an attempt to deceive the public about the actual expenditures it is undertaking.

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<sup>1</sup> <https://www.thestranger.com/slog/2018/02/24/25852967/former-staffer-accuses-king-county-democrats-chair-of-harassment-and-abuse>

This is patently untrue. Each and every one of the Committees expenditures has been reported. While it is true that the Committee is currently investigating whether certain expenditures were authorized under the governance structure and bylaws of the Committee, that is a *separate* question from whether the Committee has been transparent in its reporting obligations. The answer to the latter is that it has been.

He also relies on the following line written by reporter Heidi Groover for his assertions about the Committee keeping separate sets of books:

Another financial report handed out during the party board's January 23 meeting shows that the PDC report does not account for outstanding checks and fees totaling early \$16,000. The report gives an adjusted balance of \$1,419.

This was apparently the hearsay summary of the individual who spoke to the reporter. However, the document in question is not “two sets of financial books,” but rather a budgetary report comparing the budget to actual expenditures (which have all been reported to the PDC), and outlining *anticipated* expenses and how the Committee’s balance of funds and budget might look if certain costs occurred. The document included estimations of bills that have not yet been received and other expenses that had not yet been incurred, but may occur. It then projected what the final adjusted balance of the committee *would be* if these expenses occurred.

In short, it was a projection, and in no way supports the brazen assertion that the Committee is keeping “two sets of financial books.” Those who attended the meeting were apprised of what the form contained, and any suggestion to the contrary is a misstatement of the truth.

This allegation should be dismissed outright.

**2. “Failure to file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)”... [et. seq.]**

Many of Mr. Morgan’s assertions here are verbatim taken from the first complaint he filed with the State, which resulted in the aforementioned King County Superior Court action. The Committee stands by its answer filed with the Court in that case for the previously-reported items.

Mr. Morgan’s assertions are also fundamentally flawed, as he has overlooked the actual data submitted by the Committee on ORCA in creating its reports, such as vendor description information or line item details for reimbursements that do include the information Mr. Morgan asserts is missing.

In order to properly address alleged issues from outside the timeframe addressed by your office’s current lawsuit, it is important to explain a technical issue that occurred in June of 2017.

The Committee downloaded a new version of ORCA, at the instruction of the PDC. For some unknown reason, it did not populate any of the Committee's reporting information from February 2, 2017 forward. The Committee worked closely with Chip Beatty and Jennifer Hansen at the PDC to try to find a way to rebuild the data, but this was unsuccessful. The Committee ultimately had to rebuild months of C3 and C4 reports before moving forward with reporting; the Committee also filed a complaint with the PDC regarding the issue. This would support the Committee's assertion that it was working closely with the PDC at this time to ensure compliance with the law.

Furthermore, the July 2017 report highlighted by Mr. Morgan—which was *one day late*—all stemmed from the Committee's major fundraiser, which took a great deal of time to process and reconcile. This delay of one day certainly cannot be said to be willful or intentional, and certainly did not deprive the public of information about the fundraiser. Finally, Mr. Morgan cites two late reports—one on August 13 for \$15, and one on September 25 for \$10—as additional late reports. These minor delays are *de minimis* violations at best.

### ***Conclusion***

With respect to Mr. Morgan's utterly unfounded claim that any of the above actions were committed in a "willful and deliberate manner to deceive": there has been absolutely no malicious action undertaken by the Committee. Alleging anything to the contrary is utterly unsupported by any evidence. We ask that the Attorney General decline Mr. Morgan's invitation to join in his fishing expedition.

For the foregoing reasons, we believe that it would be appropriate for the AG's office to dismiss these allegations outright. We respectfully ask your office to so conclude.

If you have any questions, or if there is anything we can do to be of further assistance to you, please do not hesitate to contact us.

Sincerely,



Laura Ewan  
*Counsel for the King County Democratic Central  
Committee*