

TO: WA State Public Disclosure Commission
FROM: Sharlaine LaClair, Candidate WA State Legislature 2016 Election
Date: February 14, 2017
RE: PDC Formal Complaint - Glen Morgan

Please accept the enclosed responses to the Formal PDC Complaint filed by Greg Morgan. I will respond to each allegation in sequence. A majority of the allegations made by Mr. Morgan are inaccurate. In a few instances, errors were made by my campaign which I accept responsibility for. My campaign Treasurer, Sean Lawrence and I, are both new to the reporting process and worked to the best of our ability to fulfill requirements based on our understanding of PDC Requirements. Sean was unable to attend PDC compliance training due to being a full-time student for his Master's in Business Administration and a full-time employee. I am willing to answer any further questions and accept responsibility for ensuring that I am equipped with the necessary knowledge and qualified professional service providers to prevent such errors in the future. I thank each of you for the time and effort spent ensuring transparency, accountability and follow through with Public Disclosure Requirements.

1. Failure to report in-kind contribution/expenditure for filing fee with Secretary of State's Office (Violation of RCW 42.17A.235)

My campaign should have reported the filing fee of \$454.74 which I paid when I filed for candidacy. If possible, we would like to make a correction to report the expense as an in-kind contribution made by me personally. I accept responsibility for this oversight.

2. Illegal personal use of campaign funds (Violation of RCW 42.17A.445, RCW 42.17A.235 see WAC 390-16-238(1))

PDC guidance was followed on this matter. On 11/10/2016 my campaign reimbursed me for two (2) weeks of lost wages due to campaign activities as I took two weeks off of work from 10/25-11/07/16 prior to the election to work specifically on my campaign. I work full-time as an Executive Director for Lummi Nation Service Organization, a nonprofit 501c3 and during this time period, was paid a rate of \$32.32/hour. The detailed calculation this is eighty (80) hours x \$32.32/hour for a total of \$2,585.60.

3. Failure to properly breakdown expenses (Violation of RCW 42.17A.235 see WAC 390-16-205)

- a. WIN POWER STRATEGIES 2016-11-03 10788.03 SEATTLE WA
MAIL PIECE Failure to identify vendor that did printing of mailpiece.

11/03/2016 my campaign paid Winpower \$10,788 for a mailpiece which included printing costs; Winpower does the printing in-house and the cost of printing is covered in this expense. Winpower Strategies is listed as the vendor.

- b. WIN POWER STRATEGIES 2016-11-29 4400 SEATTLE WA
ONLINE ADVERTISING SERVICES Failure
to identify vendor that performed online advertising services.

Winpower Strategies is listed as the vendor- on 11/29/2016 my campaign paid \$4,400 to Winpower for online advertising services, Winpower designed the online advertising and ran the ads on Facebook; the online advertising expense to Winpower was reported on the C-4 submitted on 12/15/2016.

- c. WIN POWER STRATEGIES 2016-07-14 3270.72 SEATTLE WA
INTRODUCTION MAILERS Failure
to identify vendor that did printing of introduction mailer.

On 7/14/2016 my campaign paid \$3,270 my campaign paid Winpower Strategies \$3,270.72 for introduction mailers; the printing was done by Winpower Strategies the printing cost was included in this expense. This was included in our C-4 filing for 7/26/2016.

- d. WIN POWER STRATEGIES 2016-07-12 2375 SEATTLE WA
PRINTING FOR WALK PIECE AND
STICKERS
Failure to identify vendor that did printing of walk piece and stickers.

On 07/12/2016 my campaign paid \$2,375 for printing of walk-pieces and stickers, the printing was done by Winpower Strategies and included in this expense which is included in the description on the C-4 filed on 7/26/2016.

- e. WIN POWER STRATEGIES 2016-10-19 1800 SEATTLE WA
PRINTING SERVICES
Failure to identify vendor that performed printing services.

On 10/19/2016 my campaign paid \$1,800 for a walkpiece for which printing was done by Winpower Strategies included in this expense which was reported to the PDC.

- f. WIN POWER STRATEGIES 2016-11-07 1800 SEATTLE WA
WALK PIECE Failure to identify vendor that
did printing of walk piece.

On 11/07/2016 my campaign paid \$1,800 for a walkpiece for which printing was done by Winpower included in this expense which was reported on the C-4 submitted on 12/15/2017.

4. Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)

- a. WIN POWER STRATEGIES 2016-07-12 2375 SEATTLE WA
PRINTING FOR WALK PIECE AND STICKERS

I did not receive the stickers and walk-piece until 6/13/2016; therefore the expense was paid for within 30 days of receiving the materials and therefore the invoice for them was not outstanding for more than 30 days and is not considered a debt.

- b. WIN POWER STRATEGIES 2016-07-14 3270.72 SEATTLE WA
INTRODUCTION MAILERS I believe

I received an invoice from Winpower on 07/06/2016 for mailpieces sent out on 06/20/2016 which was paid by my campaign on 07/14/2016. This was paid within 30 days of receiving the mail piece and receiving an invoice and was not outstanding for more than 30 days and is not considered a debt.

- c. SANGSTER ALAN 2016-08-05 3000 BLAINE WA
CAMPAIGN MANAGEMENT LaClair had an ongoing

A debt should have been reported by my campaign for the balance owed to him for services provided 06/15-07/05 since they were not paid until 30 days after services were rendered. I now understand this important reporting rule, and will not make the same mistake in the future if I run for public office. I accept responsibility for this oversight.

- d. LAWRENCE SEAN 2016-08-11 500 BELLINGHAM WA
CAMPAIGN TREASURER SERVICES
RESPONSE

Sean Lawrence began working on my campaign on 06/06/2016 to conduct campaign treasury and reporting services per an oral agreement with him; he invoiced my campaign for services on 08/10/2016 paid by my campaign on 08/11/2016. My campaign should have reported a debt for services provided by Sean Lawrence since he was not paid until 30 days after services were rendered. I now understand this important reporting rule and will not make the same mistake in the future if I run for office in the future. I accept responsibility for this oversight.

- e. MCSHANE RAVEN 2016-08-26 1250 SEATTLE WA
FUNDRAISING CONSULTING LaClair had an ongoing

A debt should have been reported by my campaign for services rendered 06/01/2016-06/30/2016 since the amount owed for those dates was not paid until 30 days after services were rendered. I now understand this important reporting

rule and will not make the same mistake again in the future if I run for office. I accept responsibility this oversight.

- f. SANGSTER ALAN 2016-09-07 2000 BLAINE WA
CAMPAIGN MANAGEMENT LaClair had an ongoing

This invoice for services was paid within 30 days of receiving an invoice. Alan Sangster submitted an invoice for campaign management services on 09/06/2016 for campaign management services in August 2016 paid for by my campaign on 09/07/2016 \$2,000.

- g. MCSHANE RAVEN 2016-10-05 1250 SEATTLE WA
CAMPAIGN CONSULTING LaClair had an ongoing
RESPONSE

This was paid within 30 days of receiving an invoice for services. My campaign paid Raven McShane \$1,250 on 10/05/2016 for fundraising consulting performed in the month of September.

- h. SANGSTER ALAN 2016-10-06 2000 BLAINE WA
CAMPAIGN MANAGEMENT LaClair had an ongoing

This was paid within 30 days of receiving an invoice for services. My campaign paid Alan Sangster \$2,000 for campaign management services performed in September on 10/06/2016.

- i. WIN POWER STRATEGIES 2016-10-19 1800 SEATTLE WA
PRINTING SERVICES

This was paid within 30 days of receiving the invoice. My campaign paid Winpower strategies \$1,800 for a walkpiece reprint on 10/19/2016 an invoice was submitted to me on 09/23/2016.

- j. MCSHANE RAVEN 2016-10-26 1250 SEATTLE WA
CAMPAIGN CONSULTING

This was paid within 30 days of receiving an invoice for services. My campaign paid Raven McShane \$1,250 for fundraising consulting services performed in October on 10/26/2016.

- k. CAPITOL CITY PRESS 2016-11-01 5511.87 TUMWATER WA
POSTAGE

This was invoiced to my campaign on 10/27/2016 and paid within 30 days of the invoice. My campaign paid Capitol City Press \$5,581 for postage on 11/01/2016.

- l. SANGSTER ALAN 2016-11-01 2000 BLAINE WA
CAMPAIGN MANAGEMENT SERVICES

This was paid within 30 days of receiving an invoice. My campaign paid Alan Sangster \$2,000 on 11/01/2016 for campaign management services performed in October.

- m. LAWRENCE SEAN 2016-11-01 1000 BELLINGHAM WA
CAMPAIGN TREASURER SERVICES

A debt should have been reported by my campaign for services received between 08/03/2016-10/01/2016. My campaign paid Sean Lawrence \$1,000 on 11/01/2016 for services provided 08/03/2016 through 11/08/2016 for invoice received on October 30, 2016. I am now aware of this rule, and will ensure to report debt accurately if I run for public office in the future. I accept responsibility for this oversight.

- n. WIN POWER STRATEGIES 2016-11-03 10788.03 SEATTLE WA
MAIL PIECE

This was paid within 30 days of services being rendered. My campaign paid Winpower on 11/03/2016 for a mailpiece sent out 11/01/2016.

- o. WIN POWER STRATEGIES 2016-11-07 1800 SEATTLE WA
WALK PIECE

This was paid within 30 days of receiving the product and invoice. My campaign paid Winpower \$1,800 for a walkpiece reprint on 11/07/2016, an invoice from Winpower on 10/27/2016.

- p. LACLAIR SHARLAINE M 2016-11-09 601 BELLINGHAM WA
REIMBURSEMENT FROM CAMPAIGN CELEBRATION MEAL

This expense was reimbursed to Sharlaine LaClair the day after incurring the expense, which is within 30 days of the expense.

- q. LACLAIR SHARLAINE M 2016-11-10 2585.6 BELLINGHAM WA
REIMBURSE DUE TO LOST WAGES

This was paid on 11/10/2016, within 30 days of invoicing for lost wages during the last 2 weeks of the campaign.

- r. SANGSTER ALAN 2016-11-14 533.28 BLAINE WA
CAMPAIGN MANAGEMENT SERVICES

This was paid within 30 days of receiving services and an invoice for pro-rated services the last week of the campaign.

- s. MCSHANE RAVEN 2016-11-18 1612.02 SEATTLE WA
CAMPAING CONSULTING

A debt should have been reported by my campaign for services received 30 days prior to paying the invoice as it was for a portion of October and November services. I am now aware of this rule, and will ensure to report debt accurately if I run for public office in the future. I accept responsibility for this oversight.

- t. WIN POWER STRATEGIES 2016-11-29 4400 SEATTLE WA
ONLINE ADVERTISING SERVICES

This was paid within 30 days of receiving services and an invoice.

- 5. Failure to list committee officers

When I filed for candidacy, I did not yet have a full committee in place. I thought that my committee had been updated in the PDC, but apparently it had not been.

The Committee, People for Sharlaine LaClair included myself, Sean Lawrence, Raven McShane, Winpower Strategies and Alan Sangster.

- 6. Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1 Form (violation of RCW 42.17A.425)

When I filed for candidacy, I did not yet have a full committee in place. I thought that my committee had been updated in the PDC, but apparently it had not been.

The Committee, People for Sharlaine LaClair included myself, Sean Lawrence, Raven McShane, Winpower Strategies and Alan Sangster.

- 7. Failure to report last minute contributions (Violation of RCW 42.17A.265)

All of these LMC were reported using the online LMC tool within the 48 hours of receipt and dates listed were on C3s for the week following.

- a. QUINAULT INDIAN NATION 11/1/2016 \$1,000.00 G TAHOLAH WA
98587 Sean Lawrence reported a Last Minute Contribution (LMC) for Quinault \$1,000 on 11/01/2016 report ID 100733505 on 11/2/2016.
- b. SWINOMISH TRIBAL COMMUNITY 11/1/2016 \$1,000.00 G LA CONNER
WA 98257 Sean Lawrence reported a LMC for Swinomish \$1,000 received on
11/01/2016 report ID 100733504 on 11/02/2016.
- c. PUYALLUP TRIBE OF INDIANS 10/28/2016 \$1,000.00 G TACOMA WA
98404 Sean Lawrence reported an LMC for Puyallup Tribe of Indians \$1,000
received on Friday 10/28/2016; it was reported on the next business day
10/31/2016 report ID 100732108.

- d. TULALIP TRIBES 10/21/2016 \$1000.00 (aggregate) P TULALIP WA 98271 Sean Lawrence reported an LMC for Tulalip Tribes \$1,000 received on Friday 10/21/2016 on the next business day Monday 10/24/2016 report ID 100730167.
 - e. SWIFT JAMES 10/18/2016 \$1,000.00 G BELLINGHAM WA 98225 SELF FOOD SERVICE Sean Lawrence reported a donation received from James Swift on 10/17/2016 on 10/19/2016 report ID 100728832 which is within the 48 hour disclosure requirement.
8. Failure to report expenditure/in-kind contribution for professional photography and website
- a. Winpower Strategies provided professional photography as part of the mailpiece that I paid for which included the full cost of design, printing and photography.
 - b. My website was also done by Winpower Strategies, it should have been listed in the cost of remit envelopes and stickers; this was a small oversight in our reporting. I accept responsibility for this oversight.
9. Failure to accurately file contribution report (C4) by deadline
- a. Sean Lawrence submitted the C4 due on 07/12/2016 on 07/18/2016; Mr. Lawrence worked on the submittal, and had difficulty navigating the online reporting system. As mentioned, we would have been far better equipped to meet reporting requirements had we attended a training held by the PDC.
 - b. The C4 covering the time period of 10/18/16 to 10/31/16 was due on 11/1/16. Sean Lawrence submitted the C4 report due on 11/01/2016 on 11/02/2016 due to unfortunate personal circumstances that required his immediate attention. It was our full intent to accurately and timely submit reporting of financial disclosures to the best of our ability as we honor and sought to uphold our responsibilities to do so according to the knowledge we had.
 - c. Legitimate reimbursements made to me from my campaign were done within PDC guidelines and paid in a timely manner and reported as such by the deadline.
 - d. Sean Lawrence filed the report due on 12/12/2016 on 12/14/2016 due to a death in his family. This was unforeseen, and he diligently worked to submit the required report as soon as the funeral was concluded.
10. Failure to include sponsor ID on a mailer. (Violation of RCW 42.17A.320)
LaClair's primary election mailer (see attachment) failed to include a "paid for by" statement, as required by state law.
- a. Mr. Morgan included a copy of my primary mailer. This copy clearly indicates Paid for by People for Sharlaine LaClair, (D) PO Box 1245 Ferndale, WA 98248. In the address section of the mailer on the lefthand side opposite of the postage space.