



**State of Washington  
PUBLIC DISCLOSURE COMMISSION**

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March 22, 2019

Delivered electronically to Glen Morgan at [glen@wethegoverned.com](mailto:glen@wethegoverned.com)

Subject: Complaint regarding the 5<sup>th</sup> Legislative District Democrats, PDC Case 28016

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on November 22, 2017. Your complaint alleged that the 5<sup>th</sup> District Democrats (Committee), a Continuing Bona Fide Political Party Committee, may have violated RCW 42.17A.235 and 42.17A.240: by (1) failing to timely and accurately file C-3 and C-4 reports; (2) by failing to properly report the purpose of expenditures; and (3) by failing to timely and accurately report debt.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the applicable C-3 and C-4 reports filed by the Committee; and the response provided by the Committee.

Based on staff's review, we found the following:

Allegation one: Failure to timely file C-3 and C-4 reports.

- PDC staff reviewed the 43 C-3 and C-4 reports included with your complaint in a spreadsheet. Staff found that 25 of the alleged late-filed reports were filed between one and ten days late. For the remaining 18 alleged late-filed C-3 and C-4 reports, five were amended reports correcting minor reporting issues from previously filed reports that were filed timely. The remaining 13 reports, accounting for \$17,648.50 in contributions and \$123.90 in expenditures, were filed between 13 and 46 days late.
- In its response to this allegation, the Committee stated they experienced technical difficulties, stating, "after receiving an incorrect new filer ID from PDC, we later discovered that there was a problem with the password that prevented us from filing online forms. The PDC corrected the password problem after corresponding with us through email from March 1 – March 8."

Allegation Two: Failure to timely and accurately report debt.

- PDC staff reviewed the 13 alleged unreported debts you attached in the spreadsheet. Except for items 8, 9 and 13 for payments made to *Overnight Printing* for \$1,072.70, \$3,760.44 and \$4,641, respectively, staff found that most of the remaining items in the attached spreadsheet were orders paid at the time the orders were placed for things like space rental or caucus materials that were ordered and paid for at the time the orders were placed, during the same reporting cycle. Additionally, you did not provide evidence to show that any of the expenditure depicted in your spreadsheet was preceded by a promise to pay in an earlier reporting period.

- In its response to this allegation, the Committee, by way of its attorney stated, “by Mr. Morgan’s reasoning, a purchase from Buttonsmith – a custom manufacturer which sells primarily over the internet on Amazon, producing and shipping items with same day shipping – must have been a “debt” incurred sufficiently in advance to have been reported as a debt in the prior reporting cycle. He has absolutely zero factual basis for this assertion. Likewise, he lists the Committee’s rental of caucus space as a failure to report debt, which is untrue on its face, as the Committee’s payment was for custodial services for the cleanup of these spaces – an expense incurred and properly reported in the same reporting period as an expenditure.”

Allegation Three: Failure to properly report the purpose of expenditures.

- Staff reviewed the description of the payments made to the 18 vendors/individuals in your spreadsheet. Staff found that one expenditure for \$155.88 paid to *Blue Host* for web hosting and additional four expenditures for buttons, signage for meetings and T-shirts paid to *Buttonsmith Inc.*, were described correctly. The remaining expenditures lacked the proper description(s) or additional information as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205.

As noted above, the allegations listed in your complaint concerned information disclosed on the C-3 and C-4 reports filed by the Committee. Staff noted that there were expenditures made by the Committee either to a vendor or consultant for which a more detailed explanation or description should have been provided. However, in some cases there were no sub-vendors to be listed. For example, five out of the 18 vendors depicted on your spreadsheet are online vendors such as *Blue Post* and *Buttonsmith Inc.*

Based on these findings staff has determined that, in this instance, the failure to file timely and accurate C-3 and C-4 reports, including expenditures for debt, and the failure to properly report the purpose of expenditures, does not amount to an actual violation warranting further investigation.

However, staff is reminding the Committee about the importance of filing timely and accurate C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the Committee, including expenditures for debt, and the importance of properly reporting the purpose of expenditures, specifically to include the number of items and sub-vendor information where applicable, as required by RCW 42.17A.240, WAC 390-16-037 and WAC 390-16-205.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Erick Agina at 360-586-2869, toll-free at 1-877-601-2828, or by e-mail at [erick.agina@pdc.wa.gov](mailto:erick.agina@pdc.wa.gov)

Sincerely,

Endorsed by,

s/ \_\_\_\_\_  
Erick Agina, Compliance Officer

s/ \_\_\_\_\_  
BG Sandahl, Deputy Director  
For Peter Lavalley, Executive Director

cc: Laura Ewan, Attorney for 5<sup>th</sup> Legislative District Democrats  
Martin Chaney