



State of Washington  
PUBLIC DISCLOSURE COMMISSION

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October 17, 2018

Sent Electronically to Dmitri Iglitzin, legal counsel for Washington State Democratic Central Committee

Subject: Complaints filed against Washington State Democratic Central Committee; #1 (24686); #2 (24691); #3 (25594) & #4 (28806)

Dear Mr. Iglitzin:

Enclosed is a copy of an electronic letter sent to Glen Morgan, concerning the four complaints he filed with the Public Disclosure Commission (PDC) against your client, the Washington State Democratic Central Committee. As noted in the letter to Mr. Morgan concerning the four complaints, the PDC will not be conducting a more formal investigation into these allegations against the Washington State Democratic Central Committee or taking enforcement action in these matters.

However, pursuant to WAC 390-37-060, this letter serves as a warning letter concerning the Washington State Democratic Central Committee failure to file an amended Committee Registrations disclosing changes to its Committee Officers. PDC staff expects that the Washington State Democratic Central Committee will timely file Committee Registrations updating its Committee Officers, and campaign finance reports disclosing contribution and expenditure activities in future years in accordance with PDC statutes, and rules. Based on this information, the PDC has dismissed the allegations in these four complaints in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Kurt Young at 360-664-8854, toll-free at 1-877-601-2828, or by e-mail [kurt.young@pdcc.wa.gov](mailto:kurt.young@pdcc.wa.gov).

Sincerely,

Endorsed by,

s/ \_\_\_\_\_  
Kurt Young  
PDC Compliance Officer

s/ \_\_\_\_\_  
Sandahl, Deputy Director for  
Peter Lavalley, Executive Director



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October 17, 2018

Sent Electronically to Glen Morgan at "glenmorgan89@gmail.com"

Subject: Washington State Democratic Central Committee complaints #1 (24686); #2 (24691); #3 (25594) & #4 (28806), Complaint return letters

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of four complaints you filed against the Washington State Democratic Central Committee, that staff had identified as Complaints #1 (24686); #2 (24691); #3 (25594) & #4 (28806).

Your complaints alleged that the Washington State Democratic Central Committee (WSDCC) may have violated: (1) 42.17A.205 for failure to timely and accurately update the Committee Registration (C-1 report); (2) RCW 42.17A.235 for failure to accurately and timely file Monetary Contributions reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports); (3) RCW 42.17A.240 for failing to provide the addresses for contributors on C-3 reports, and properly reporting expenditures and debts on C-4 reports; (4) WAC 390-16-037, for failing to provide the Employer and Occupation for individuals contributing more than \$100; and (5) RCW 42.17A.405 for spending exempt funds for non-permitted activities.

PDC staff reviewed the allegations listed in the three complaints, the statutes, rules, and reporting requirements, the C-1pc, C-3, and C-4 reports filed by the WSDCC non-exempt and exempt funds accounts, and the response Dmitri Iglitzin, legal counsel for the WSDCC that was submitted to the PDC and to the Washington State Attorney General's Office (AGO). As a result of staff's initial review of the documents, we found the following:

- The WSDCC is the bonafide Washington State political party organization that has been registered and reporting with the PDC since the 1970's. The WSDCC has two separate accounts that are reported with PDC, the Non-exempt funds account and the Exempt funds account.
- PDC staff's review found for the 2016 election, the WSDCC filed a total of 932 C-3 and C-4 reports disclosing more than \$3.4 million in contribution and expenditure activities for the Non-exempt funds account, and more than \$2.14 million in contribution and expenditure activities for the Exempt funds account.
- Of the 932 C-3 and C-4 reports filed by the WSDCC for 2016, 71 of the reports were filed as amended reports.

- The amended reports were filed by the WSDCC to make the required corrections in order for the reports to be in full compliance with the PDC reporting requirements. The majority of the initial C-3 or C-4 reports that were later amended, were filed timely when submitted.
- You stated in a number of the complaints you filed, that your allegations were based “On information and belief” but you failed to provide any evidence to substantiate those allegations. Therefore, staff did not review those allegations.
- Mr. Iglitzin stated the majority of the C-3 reports listed in the complaint as failing to include the complete address for contributors, were for monetary contributions received during a one-week period in May-June of 2016. He stated the WSDCC’s “software crashed during the transmission to the PDC reports, and the party promptly emailed the PDC to advise it that the Committee’s software had crashed, and that we were attempting to file using alternate software (with possible delays).”
- Mr. Iglitzin stated that the WSDCC contracted with “NGP VAN” for compliance with the PDC reporting requirements, and the reporting software necessary to electronically transmit the C-3 and C-4 reports. He stated when the WSDCC filed the C-3 reports, they were not aware that the address information for some contributors had not been provided. He acknowledged that two of the missing addresses were due to an error made by a WSDCC staff person. He stated the WSDCC has “worked closely with the PDC to keep them apprised of the situation” and that the party has filed a number of amended C-3 and C-4 reports, as indicated above to correct the allegations listed in the complaints, including the address issue.
- Mr. Iglitzin stated concerning the missing WSDCC Occupation and Employer information was due to “software errors that caused a discrepancy in the filings, and those errors have been corrected by filing amended C-3 reports. He stated the WSDCC obtains most of its contributor’s occupation and employer information through the WSDCC’s website. However, for the contributions listed in the complaint, that information did not get properly transferred into the database as a result of a “synching error” between the software and database.
- Mr. Iglitzin stated during the WSDCC 2016 State Party Convention, contributions and fees paid to attend the event were processed by EventBrite. He stated that due to an error in the EventBrite software, the contributor information being collected was treated as an optional field for the employer and occupation information, which “allowed some donors to proceed without providing the required information.” He stated the WSDCC “has identified all issues that led to this inadvertent omission of information, tracked down missing information, and amended all identified C3 reports over the course of the past two weeks. The Committee was able to populate over 98% of the missing employer/occupation/employer city/employer state information.
- Concerning the allegations in PDC Case 24686, the 16 alleged late filed C-4 reports by the WSDCC were actually amended C-4 reports, and the original C-4 reports were filed timely. Mr. Iglitzin stated that the WSDCC failed to timely file one C-3 report, Report #100786703, which was a one-page C-3 reports disclosing \$70 in monetary contributions received from five contributors on July 25, 2017 and deposited on the same day. The C-3 report was filed on September 11, 2016, 42 days late.
- Concerning the allegations about improperly spending exempt funds contributions, Mr. Iglitzin stated that exempt funds “also includes “internal organization expenditures,” such as fundraising purposes, as long as they are done without direct association with individual candidates...expressly includes legal and accounting services.”

- Mr. Iglitzin stated that the WSDCC had contacted PDC staff in the past to discuss paying for Gubernatorial Inauguration Ball tickets and inquired whether those costs could be considered a political party building expense, and a permissible use of exempt funds. He stated the PDC staff advice was that the expenditure did not support or oppose any candidate, and was a party building activity, while being a non-partisan event.
- Mr. Iglitzin stated that the WSDCC also used exempt funds to make donations to the Washington State Labor Council, NARAL Pro-Choice America, and the Northwest Progressive Institute. He stated those WSDCC exempt funds expenditures were to sponsor “a mural, an event, and “a fundraiser for an organization that does not conduct any candidate support, respectively”. He stated the WSDCC exempt funds expenditure was made to a charity to purchase backpacks for the homeless and was made “to honor the legacy of a Party leader who had passed away.”
- Mr. Iglitzin stated the remaining WSDCC exempt funds expenditures to local Democratic party organizations “were all for exempt activities and had nothing to do with any direct association with/promotion of/political advertising for individual candidates. This is the definition of an exempt expenditure.”
- Finally concerning the allegation that the WSDCC failed to timely file an amended C-1pc report, PDC staff’s review found that the last C-1pc report was filed with the PDC on March 17, 2014. The most recent C-1pc report filed by the WSDCC listed Jaxon Ravens as the Chair, Valerie Brady Rongey as Vice Chair, Rob Dolin as Secretary, and Habib Habib as Treasurer. Staff did not find a more recent C-1pc filed by the WSDCC listing Tina Podlodowski as Chair.

Pursuant to WAC 390-37-060, the Washington State Democratic Central Committee will receive a formal written warning concerning their failure to file an amended Committee Registration updating the Committee Officers, and any other required information. The formal written warning will include staff’s expectation that the party will timely file complete and accurate Committee Registrations and C-3 and C-4 reports, this year and in future years in accordance with PDC statutes, rules, and reporting requirements. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Based on these facts, staff has determined that in this instance, no evidence to support finding a material violation warranting a more formal investigation into your complaint or pursuing further enforcement action in this case. Based on this information, the PDC has dismissed the allegations in these four complaints in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at 360-664-8854.

Sincerely,

s/ \_\_\_\_\_  
Kurt Young  
PDC Compliance Officer

Endorsed by,

s/ \_\_\_\_\_  
Barbara Sandahl, Deputy Director for  
Peter Lavalley, Executive Director

cc: Dmitri Iglitzin legal counsel for the WSDCC