

Date: Jan 24, 2018

TO: Compliance Coordinators for the PDC and AG

RE: PDC Case #: 28817

Candidate: Senator Sam Hunt

Campaigns: 2016 & 2020

As Senator Hunt's Treasurer I have been asked to respond to the above referenced claim of alleged PDC violations by citizen activist Glen Morgan.

Mr. Morgan's first accusation involves the settlement agreement for a prior series of allegations, which was recorded and satisfied in July of 2017. Specifically, Mr. Morgan contends that the suspended fine reflected in this agreement must be reported as a debt based upon his interpretation of WAC 390-16-042. We did not reach this conclusion and thus did not reflect the amount as a debt. As a check of our interpretation we contacted the PDC and have been advised of no need to report the suspended fine in any manor whatsoever. As such, we ask that this allegation be dismissed as false.

Mr. Morgan's second allegation is that payment of the above mentioned settlement was not filed timely. The recorded settlement agreement was received by the campaign and was paid during the month of July 2017 (the correct amount \$5,107.50) and is reflected on the C-4 filed on Aug 9, 2017. Mr. Morgan's allegation is false. I will say that Mr. Morgan's error is somewhat understandable since the C-4 was amended for reasons documented below on Aug 30, 2017 but as the record reflects, this component of the Aug 9 C-4 was not changed.

Mr. Morgan's third allegation involves \$1.28 of income he alleges was reported late. This allegation also stems from a previously revised report. On the C-3 originally filed on Aug 9, I posted \$11.19 in error. On Sep 22 upon correcting this small error, I filed a revised C-3 reflecting the \$1.28 entry. This \$1.28 error was unintentional and was corrected as soon as it was discovered. Then, in order for this correction to carry forward on subsequent C-4s, the C-4 covering the month of August had to be amended.

Mr. Morgan's fourth allegation involves the reporting of the debt for legal fees reflected on the C-4 for August in the 2016 campaign. This debt was reported by C-4 on Sept 10. For the reason detailed above a revised C-4 was filed for this period, but the Debt amount did not change from the Sept 10 C-4. As such, we ask that this allegation be dismissed as false.

Since one of the allegations relates to the debt for estimated legal fees and out reporting of same has involved two separate campaigns and the surplus account, we have attached a PDC letter which documents our efforts at full compliance and the PDC's change in instruction to the campaign. Based upon PDC instruction we reflected the monthly estimate of legal expenses on C-4's for the surplus account. Then upon receipt of the attached letter, we moved the debt to the 2016 campaign and revised the amount (\$1,050 to \$850) to reflect the actual bill for legal services. This was a necessary step in Orca prior to establishing the 2020 campaign because the debt preexisted and needed to be reflected on the initial C-4. Then, to complicate things further, the Attorney communicated its intent to forgive the debt as an in kind contribution on Sept 21. This was reported timely on the Sept C-4 filed for the 2020 campaign on Oct 9, 2017.

It is my hope that you find this response comprehensive and clear. Despite Mr. Morgan's comments to the contrary, both Senator Hunt and I continue to make every effort to fully comply with the campaign finance and reporting statutes of our State. We trust that this reply demonstrates this fact.

For the record, I have researched and written this response on behalf of and at the direction of Sam Hunt for whom I provide only ministerial duties as Treasurer. Senator Hunt has reviewed and approved this response.

Regards,
Steven Drew
Treasurer
Sam Hunt For Senate campaign