

January 16, 2018

Tony Perkins, Campaign Finance Unit
Washington Attorney General's Office
tonyp@atg.wa.gov

Dear Mr. Perkins,

Thank you for the opportunity to respond to the December 14, 2017 "citizen action" complaint filed by Mr. Glen Morgan against the 2017 Olympians for Community Safety campaign. Unfortunately, Mr. Morgan chose not to contact the campaign or inspect its books before filing his complaint, making it woefully uninformed in some areas, and outright wrong in others. Below is accurate and correct information responding to Mr. Morgan's allegations.

Allegation #1 – The campaign filed 14 reports, including C3s and C4s, plus the original C1. These reports are accurate, and were timely filed. This allegation is false. Having filed each report, I can verify this.

Allegation #1 a) – This allegation related to in-kind resources is also incorrect. The campaign paid the mailing service for mailing list. There is no in-kind to report.

Allegation #2 – Specifics related to the timely reporting of debt:

- **Mailbox of Olympia – As of the end of the previous reporting period, we did not know if this transaction would occur, let alone for how much. Due to a printing error, we were unsure if we would mail at all until 10/18. Reporting "potential" expenditures, that aren't certain, would be inaccurate.**
- **COPRINTCO – As above, when the preceding accounting period came to a close, we did not know if we would incur this expense, or how much it would cost. We had just found the printing error – but not its source. We filed the expenditure as soon as it was known and certain.**
- **Percival Consulting Group – The treasury contract was finalized in early September, and the expenditure was reported in the same period. This was reported timely. As the record indicates, the campaign had just \$50 on hand until 8/31/18. Neither the Campaign Chair nor the Contractor was willing to execute a contract until the campaign was viable and we knew monies were coming.**
- **KXXO-FM – On 10/16, the last day of the previous C4 – we had not yet committed to radio ads. Our decision to proceed moved quickly to production.**
- **Nathaniel Jones – Order and delivery and payment in the same reporting period. Nothing prior to report.**
- **Lee Doyle - With no contract and no set pricing, simply an agreement to do the work and bill later – this is not an obligation we found reportable until we knew its scope and details.**

Allegation #3, Part A, Expense Breakdown – The controlling statutes are silent about the level of detail required for C4 reporting. Further, the amount of space on an online C4 is limited to a certain number of characters, making one prioritize the level and amount of details. If anything in any report is unclear, the campaign's email and phone are publicly listed. Relevant questions can be answered, without filing complaints. With limited space and no prescriptive guidance on newer media formats, the campaign provided pertinent detail with the ability to answer any questions or offer clarifications.

Allegation #3, Part B, Photos as In-kind – The mail piece featured one photo of the key supporters who sponsored the ballot measure itself – the seven members of the Olympia City Council. Mr. Morgan asserts this was 'free' advertising for those on the ballot, and was subject to disclosure.

We have several responses to this:

- **City Councilmembers have their picture taken, are in the papers, do PSA's on radio – in the normal course of their job. This wasn't any different. Councilmembers' support of the ballot measure was unanimous and all seven sitting members publically signaled support; particular members were not highlighted or promoted. There was no coordination between campaigns.**

- Efforts to quantify the monetary value of the alleged in-kind support result in a quite small dollar value. Even if the flyer were found to be a form of in-kind support, the financial impact would be less-than significant, and below reporting thresholds.
- Further, if the flyer were found to be a form of in-kind support, in-kind contributions are reported by the campaign receiving the donation, not the one donating. For this committee, it would be an 'in-kind expenditure', which do not exist for reporting. If we had coordinated with the 3 campaigns named, we, as a committee, would still not be required to publicly disclose the information, because it is the receiving entity, not the giving entity, that reports a contribution.

Allegation #4 – Mr. Morgan 'believes' that the committee had different members than were listed. He offers no proof at all of his 'beliefs'. Councilmembers Cooper and Gilman were not committee members.

Allegation #5 – Before reimbursing Mr. Cooper, the expenditures were authorized by the Campaign Committee. The expenditures were confirmed as authorized before any checks were issued.

Allegation #6 – It is completely true that we did not update our C1-pc. Nothing compelled us to, nothing triggered needing to, and so we didn't. This campaign was less than 4 months long.

Allegation #7 –Records of this campaign are in the possession of the treasurer. There is no violation.

Allegation #8 – All deposits for the campaign were prepared and authorized by the treasurer. Deposit bags were couriered to the bank by Percival Consulting Staff, who was contracted for this purpose. The campaign made a total of 7 deposits.

Allegation #9 – 42.17A.320 requires listing of top 5 contributors – in excess of \$700. This campaign only had 2 contributors over the \$700 threshold – The Olympia Police Guild, and IAFF Local #468, Olympia Firefighters. Both were listed on the only election communication exceeding the \$1000 threshold for sponsor ID, the mail piece. We actually listed 2 additional donors, just to fill out the list. We disclosed more than was required and there was no obfuscation.

Allegation #10 – When the mailer came back from the printer- a mistake was found. They had used an old committee name and address from 5 years ago. There was not enough time to re-print. Every mail piece was modified to include the accurate Sponsor ID, and the top contributors. A clerical error was made, and the Committee found the best solution to meet the rules and still mail the piece.

Allegation #11 – We aren't a PAC. We are a single year ballot committee, whose sole purpose is to support Olympia's Proposition 1, the public safety measure. As such, we report expenditures via C4 reports. All expenditures were filed in a timely fashion. C6 reports aren't applicable to us- we aren't independent, and have no ability or requirement to fil C6s.

Allegation #12 –We intended to raise \$10,000. When the Police Guild donated \$7,500, it did not trigger a name change, because we still intended to raise \$10,000. The 80% threshold is not a point in time, rather, as a single-year committee, the spending threshold is applied to a calendar year. If it wasn't, all committees would need to change their names after their first contribution, and before their second.

By the end of the campaign we had raised only \$9000 or so. At that point, we were \$300 over the 80% threshold. Of note, the final \$980.39 of leftover campaign funds was given to 'Olympia Cops & Kids Foundation'. We could have returned \$300 to the Guild, and given \$680.39 to the Guild's Charity. If the PDC Commission or the AG requests, we can ask for the \$300 from their charity, and send it back to the Guild itself. That would put the Guild under 80%.

In summary, we believe the bulk of these complaints should be summarily dismissed, as they are either factually incorrect or based on 'belief' and not fact. Many other complaints could have been handled through a simple phone call or email to the campaign. We would have been happy to

provide any and all information, regardless of the 10 day window to review the books. The fundamental value behind the law is transparency – which we believe in.

We are also troubled that we need to respond to most of these complaints. We're accused of not filing C6 forms – but our committee type isn't required to. We're accused of not disclosing in-kind contributions to other committees- but nothing directs us to disclose those things. We're being accused of violating disclosure laws that don't exist. It is apparent that research has not been undertaken before complaints are being filed. If these complaints were filed in good faith- due diligence and homework would have resolved nearly all of them. Logic dictates that someone is not acting in good faith.

Sincerely,

Joe Hyer, Percival Consulting Group
Treasurer, Olympians for Community Safety

Nathaniel Jones, Mayor Pro Tem, City of Olympia
Chair, Olympians for Community Safety