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January 26, 2018

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Tony Perkins
Washington State Attorney General's Office
1125 Washington St SE
Olympia, WA 98504

Public Disclosure Commission

Re: Citizen Action Notice Complaint against Washington Teamsters Legislative League
(PDC Case No. 29798)
Our File No. 3315-018

Dear Mr. Perkins:

We are writing on behalf of the Washington Teamsters Legislative League with regard to the above-referenced matter, in response to the request for a response sent to it by your office on January 12, 2018.

The Washington Teamsters Legislative League has reviewed the allegations that have been made against it by Glen Morgan, and responds as follows:

1. Alleged failure to file accurate and timely C3 and C4 reports.

The Washington Teamsters Legislative League has at all times endeavored to meet all filing requirements, and it believes that it has done so in all material respects. Most of its expenditures and receipts were timely and accurately filed. In some cases, the League made modest and appropriate amendments, consistent with both the Fair Practices Campaign Act and PDC guidance. Mr. Morgan seeks to conflate an amendment with a late filing, which has no basis in law or reason. In still other cases, filing errors were the result of technical difficulties or due date errors attributable to the ORCA system. If any viable allegations do exist, they are legally *de minimis*, more appropriate for resolution by the Public Disclosure Commission than the Superior Court. The Commission has jurisdiction over the allegations; as such, any decision on how to respond to these allegations should be left with the Commission.

2. Alleged failure to timely and accurately report debt.

There is no factual basis for this allegation. The League pays very few vendors, and when it does, it promptly reports those payments. It pays for the goods and services that it acquires upon delivery or production. For example, all checks payable for rent and accounting fees are paid in the current month of the bill. They are not owed for a prior month. The checks that reflect payment for accounting represents payment of a retainer for yearend calculations. And so forth.

We do not believe that the League has ever, within the time period relevant to this complaint, failed to pay for goods or services on the date payment was requested or due; thus, the League has had had no debt to report and therefore obviously did not fail to report such.

Mr. Morgan appears to confuse “expenditures,” which were in fact properly reported subsequent to being made, and “debt,” which only occurs under very limited circumstances, e.g., where a commitment to pay has been made, with an agreement that payment be made on a specified date, yet payment is not made on that date, and the money is therefore now owed by the campaign committee (in the words of RCW 42.17A.240(8), the debt is now “outstanding”). *See, e.g., Caplan v. Sullivan*, 37 Wn. App. 289, 292–93, 679 P.2d 949 (1984) (“debt” refers to an obligation arising from contract or a sum of money owed which is fixed and certain).

None of the items listed by Mr. Morgan constitute what he refers to as a “debt obligation.” Instead, these items were expenditures that were reported appropriately (and in a timely fashion) subsequent to having been made.

3. Alleged failure to break down expenditures.

Mr. Morgan also alleges that the League violated campaign finance reporting laws by failing to sufficiently break down and describe its expenditures. Although he claims that “[t]he sheer volume of violations of this statute are extensive,” he has not managed to cite even a single example.

The Attorney General and the PDC have previously rejected Mr. Morgan’s contentions regarding his “failure to break down expenditures” claims. For instance, in March 2017, Mr. Morgan filed a complaint with the PDC and a corresponding 45-day notice with the Attorney General alleging that John Wilson, a 2015 candidate for King County assessor, committed various violations of the Act. *See* PDC Ticket No. 14854. Relying on WAC-390-16-37, Morgan claimed that Wilson failed to properly break down twenty-two expenditures. *Id.* Among these allegedly problematic expenditures were various payments Wilson made to Overnight Printing & Graphics and Fedex Office for printing services. *See id.* While Wilson identified on the C-4s the amount and the purpose of the expenditures, he did not list the quantity of the copies he paid for. Despite this, the PDC and the Attorney General declined to take formal action. In so doing the PDC noted that, with the exception of one expenditure that fell outside of the limitations period, all of the expenditures Mr. Morgan flagged as unlawful were “sufficiently identified and accounted for.” *Id.*

In light of the foregoing, it is clear that even if there were some specific expenditures for which more detailed information could potentially have been provided, consistent with WAC 390-16-037(3), which requires that reports “describe in detail the goods and/or services to be provided by the recipient of the expenditure,” at most there might be only a *de minimis* violation here, which would not warrant further action.

4. Alleged failure to file C-6 reports related to independent expenditures.

Mr. Morgan appears to assert that the League has failed to file C-6 reports reflecting independent expenditures. However, the League has never *made* any independent expenditures. The items on the League’s C-4 filings that Mr. Morgan appears to believe warranted C-6 reports were in fact

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contributions to political committees that themselves engage in independent expenditures. Because the League was not itself making independent expenditures, but was instead simply providing money to other political committees, these expenditures were properly reported by the League on its C-4 filings as contributions to those committees. (In addition, because these expenditures are “required to be reported” by the League, due to its status as a political committee, they are in any event not “independent expenditures” for which a C-6 filing (a “special report”) could be required. See RCW 42.17A.255(1).)

For all of the reasons set forth above, Washington Teamsters Legislative League urges the Attorney General to decline to initiate a formal action against it and refer the matter to the PDC for further investigation if the PDC sees fit.

Sincerely,



Dmitri Iglitzin
Counsel for Teamsters Legislative League

Cc: Fox Blackhorn, PDC