

The Public Disclosure Commission received a complaint from Glen Morgan, which has been assigned to **PDC Case Number 41627**. The Complaint alleges the following:

Allegation One: Violation of RCW 42.17A.235 for failure to timely file C-4 reports.

Allegation Two: Violation of RCW 42.17A.240 for failure to accurately describe expenditures.

Allegation Three: Violation of RCW 42.17A.445 for unauthorized use of campaign funds.

1) Failure to timely file C4 report.

(Violation of RCW 42.17A.235)

- **Response:** We accept full responsibility for failing to timely file our C4 report before the primary election. As you know very well, a “majority of smaller campaigns are volunteer-driven and most treasurers are not professional accountants” (RCW 42.17A.235, Finding—Intent—2018 c 304) as is the case with our campaign, which is run by college students. The late C4 report was built in ORCA and I believed I had successfully validated and submitted it, but I later realized that was not the case and corrected the error. All reports submitted by our campaign have been done so in good faith and the idea that accounting mistakes were committed maliciously is absurd.

2) Failure to accurately describe expense.

(Violation of RCW 42.17A.240(6) & WAC 390-16-037)

RCW 42.17A.240(6)

(6) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures;

WAC 390-16-037

Purpose of campaign expenditures—Reporting.

(1) Any person required to report the "purpose" of an expenditure under RCW 42.17A.240(6), or 42.17A.255 (5)(b) shall identify any candidate(s) or ballot proposition(s) that are supported or opposed by the expenditure unless such candidate(s) or ballot proposition(s) have been previously identified in a statement of organization of the person required to be filed under RCW 42.17A.205 (2)(f) and (g);

(2) Whenever an expenditure is made to a candidate or a political committee pursuant to an agreement or understanding of any kind regarding how the recipient will use the expenditure, the report shall describe in detail that agreement or understanding; and

(3) Describe in detail the goods and/or services to be provided by the recipient of the expenditure.

- **Response:** Simply, we didn't realize we needed to itemize the amount of items purchased for things like printing and general office supplies. We are in the process of amending these reports.

Literature Pieces

1. (4/2/18) PDC Report #100830477
2. (8/18/18) PDC Report #100860068 "Campaign Shirts and Polos"
3. (8/17/18) PDC Report #100860068 "Campaign literature"
4. (7/6/18) PDC Report #100845793 "Campaign Literature"
5. (7/5/18) PDC Report #100845793 "Signs"
6. (1/27/18) PDC Report #100810450 "Campaign Literature"
7. (5/7/18) PDC Report #100836519 "Yard Signs"
8. (5/5/18) PDC Report #100836519 "advertising"
9. (5/17/18) PDC Report #100836519 "postcards"
10. (4/27/18) PDC Report #100830477 "campaign literature"
11. (6/21/18) PDC Report #100845793 "road signs"
- 12.
13. (8/7/18) PDC Report #100860068 "Event Supplies"
14. 8/19/18 PDC Report #100860068 "event supplies"
15. 8/20/18 PDC Report #100860068 "Office supplies from The Bookie"
16. 8/30/18 PDC Report #100860068 "Event Supplies"
17. 8/30/18 PDC Report #100860068 "office supplies"
18. 5/3/18 PDC Report #100836519 "Event Supplies and Refreshments"
19. 6/8/18 PDC Report #100845793 "Office supplies"
20. 7/16/18 PDC Report #100845793 "Office supplies"
21. 7/16/18 PDC Report #100845793 "Event supplies"
22. 7/16/18 PDC Report #100845793 "office supplies"
23. 2/16/18 PDC Report #100819410 "office supplies"

3) Illegal personal use of campaign funds (Violation of RCW 42.17A.445)

RCW 42.17A.445 Personal use of contributions—When permitted.

Contributions received and reported in accordance with RCW 42.17A.220 through 42.17A.240 and 42.17A.425 may only be paid to a candidate, or a treasurer or other individual or expended for such individual's personal use under the following circumstances:

(2) Reimbursement for direct out-of-pocket election campaign and postelection campaign related expenses made by the individual. To receive reimbursement from the political committee, the individual shall provide the political committee with written documentation as to the amount, date, and description of each expense, and the political committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17A.240.

WAC 390-16-238 Personal use of contributions—Standard.

if a candidate uses a personal vehicle for campaign purposes, the campaign may reimburse the candidate for:

(b) The standard mileage rate established by the Internal Revenue Service for those documented miles directly related to the campaign's usage.

- **Response:** We apologize for not including more details abouts mileage reimbursements for the candidate and are in the process of amending our reports.

- 5/10/18 PDC Report #100836519 “Gas”
- 5/9/18 PDC Report #100836519 “Gas”
- 8/8/18 PDC Report #100860068 “t-shirt order reimbursement”

- 1. 8/2/18 PDC Report #100860068 “newspaper subscription”
- 2. 8/9/18 PDC Report # 100860068 “newspaper subscription”
- 3. 8/28/18 PDC Report # 100860068 “newspaper subscription”
- 4. 8/31/18 PDC Report # 100860068 “newspaper subscription”
- 5. 6/7/18 PDC Report # 100845793 “newspaper subscription”
- 6. 7/3/18 PDC Report # 100845793 “newspaper subscription”
- 7. 7/12/18 PDC Report # 100845793 “newspaper subscription”
- 8. 7/30/18 PDC Report #100849246 “newspaper subscription”

Statement from Candidate Matthew Sutherland:

“I would like to apologize personally for not properly filing paperwork.

We are currently in the process of correcting and amending our filings to reflect amounts and kinds of items purchased for literature, signs and various office supplies and we will amend our reimbursement of gas to more accurately reflect that it was a mileage reimbursement (a normal campaign expense), and we will better itemize our office supply purchases moving forward.

Again, I apologize to all the folks who were concerned about what office supplies we may have purchased but I assure everyone the list is boring and includes printers, paper, and envelopes among other rather innocuous and typical office supplies.

I'd like to thank Mr. Morgan for the opportunity to get a more accurate PDC filing up as I believe in government transparency.

However, I would disagree with Mr. Morgan’s inflammatory remarks and attacks on my integrity. Clearly, we fully intend to comply with the law and will correct our filings for the public. The suggestion, however, that this is intentional and that I am deliberately evading disclosure is nonsense.

While Mr. Morgan and his attempts to show the flawed nature of our public disclosure laws are valid, our campaign will not be intimidated or bullied by someone whose ideological dogma is confined to the opposition of one party and whose values are so inconsistently applied.

The PDC process is often difficult, and I would like to thank my staff for their diligence in working with a system that is often so intimidating that potential volunteers and organizers shy away from being involved and having a voice.

We will learn from these rather innocuous errors and continue to strive for the amount of transparency the public deserves. I appreciate the opportunity to engage with the public.”