

Complaint Description

Glen Morgan reported via the portal (Tue, 5 Feb 2019 at 5:56 PM)

To Whom it May Concern --

It has come to my attention, once again, that the Kittitas County Democratic Central Committee (hereafter collectively referred to as “respondent”) has habitually and willfully committed frequent and multiple violations of **RCW 42.17A**. Additionally, I have reason to believe that other violations of this chapter have occurred beyond what I have identified below.

Please note, these violations are particularly troubling because the Kittitas County Democratic Central Committee recently settled a lawsuit in a civil action brought by the Washington State Attorney General against the Kittitas County Democrats last year (see settlement – **Thurston County Court Case # 17-2-04103-34 attached dated March 2, 2018**). The Kittitas County Democrats are still in the critical probationary six-year period (please note, the attached AG settlement has a conflict between page 1, where it states “4 year” probationary period, and on page 4 section 2a where it states “six year.” It is likely that the six year period is legally applicable in this case because based on the payment plan, it will take at least six years to complete the payments on this debt to the State of Washington) covered by that settlement (**see part 2a, 2b, and 2c of the attached AG settlement agreement**) and have clearly violated the terms of that settlement, once again, by failing to file accurate expenditure reports – accurately reporting debt. According to the terms of this settlement, if the PDC confirms these violations to be accurate (and they are), then the Kittitas County Democratic Central Committee will have 30 days to pay the suspended portion of the settlement fine which is \$7,912.50 (**see part 2c of the attached AG settlement**).

For the record, this committee has a proven track record of campaign finance violations, even before the AG lawsuit was initiated in 2017. On May 13, 2016, the PDC found this committee had also committed a variety of campaign finance violations (See **PDC Case #2066** – order imposing fine is attached for reference). At that time, the PDC imposed a \$500 fine on this committee with a \$400 suspension. The \$400 suspended portion of that fine was forfeited when the AG was forced to file their lawsuit initiated by a Citizens Action Notice initiated by this complainant. Effectively, this political committee has been in continuous suspension or litigation with the State of Washington either from the PDC or the AG in regard to its repetitive failure to comply with Washington State’s Fair Campaign Practices act since at least May 13, 2016.

1) Failure to timely report debt (Violation of RCW 42.17A.240 (8)(a)-(b))

State law requires that the name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than seven hundred fifty dollars.

Per **RCW 42.17A.240 (8)(a)** this would include “The name and address of any person and the amount owed for any debt with a value of more than seven hundred fifty dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within thirty days before an election, or within ten business days during any other period.”

Please note that each payment to the State of Washington via the AG’s settlement plan is \$1,305 until January of 2020 (**see part 3 of AG settlement**), and each following payment will be \$1,650 (**see part 5 of AG settlement**). Both size of payments greatly exceeds the statutory threshold of \$750 in this case. Additionally, the suspended portion of this fine (\$7,912.50 – **see attached AG settlement part 2**) should be listed as a debt, particularly since it appears this committee is such a frequent violator of the terms of their probation that it appears nearly certain they will need to pay this soon as they did the last time they violated their probation period. Regardless – all these debts must be disclosed in their reports to the PDC for this committee to remain compliant, and they have failed to do so for most of 2018, so amended reports are in order as well.

Unfortunately, the Kittitas County Democratic Central Committee **has been concealing the debt for many months related to the fines, and payment plan imposed by the Washington State’s Attorney General’s office (see attached judgement)** This is an extremely significant failure to be transparent because the public (and potential donors) have a right to know that substantial percentages of this political committee’s resources must be reserved to pay these debts, and the failure to disclose them in any of their filings in 2018 demonstrate a willful effort to deceive both the public and potential donors to this committee. There is no excuse for this failure to comply with Washington State campaign finance law, particularly considering the AG settlement, the probationary period under which this committee is operating, and the recent warning letter sent to this committee by the PDC last month.

Since compliance with the law seems to be such a difficult task for this committee, PDC staff should also consider asking this committee to reveal the other, currently hidden violations which this committee is committing right now in order to save the serial investigations that seem to be so frequently necessary for this committee. It is not prophetic to predict that this committee needs some expert advice and guidance for this committee to become compliant with the statute.

2) Failure to accurately report expenditures (Violation of RCW 42.17A.235)

Washington’s Fair Campaign Practices Act (**RCW 42.17A**) requires political committees to accurately report contributions and expenditures. The Kittitas County Democratic Central Committee has on at least one occasion falsely reported an expenditure made. Specifically, on the C4 filed by this committee dated 1/3/2019 (**PDC Tracking #100878760**) the committee

falsely stated that the \$1,305.00 paid to the State of Washington as part of the terms of the AG settlement (see Section 3, page 3 of attached AG settlement) was paid to the “Washington State Secretary of State.” And these were referred to as “penalties” which is probably a violation of **WAC 390-16-037** since it does not accurately state that this payment was part of the AG settlement payment. This committee has been capable of more accurately describing these expenditures in the past (See **PDC Tracking #100845429**), where the payment as “settlement payment with PDC.” Probably this should have been described as “settlement payment with the AG” since this was a settlement with the AG, but at least in this earlier description, it referenced a settlement and correctly identified the Washington State Treasurer as the recipient of these funds.

This violation, when combined with the failure to report debt appears to be willful effort to hide from the public both the significance of the incurred debt, and the nature of these payments to the public and from potential future donors. These need to be corrected with amended reports for the deficiencies in reporting already identified, and also in all future reporting by this committee.

The PDC should investigate the possibility that the respondent committed the above violations maliciously (an effort to deceive potential donors and hide the legal liabilities from them?), which would be a class C felony per **RCW 42.17A.750 (2)(c)**. If the PDC determines that is the case, they should refer the case to the Attorney General's office for criminal prosecution immediately.

Please don't hesitate to contact me if you need any additional information.

Best Regards,

Glen Morgan

Kittitas Co Democratic CC Order Cover Ltr and Attachments PDC Case 2066.pdf
734.57 KB

Judg-20180302-Stip (002).pdf
263.1 KB

What impact does the alleged violation(s) have on the public?

The Kittitas County Democratic Central Committee is a serial violator of Washington State’s campaign finance laws, with a recent lawsuit filed by the Washington State Attorney General’s office to prove this fact, and a generous settlement finalized February 26, 2018. In addition, the previous PDC violation by this committee from 2016 (Case#2066). However less than a year after the AG settlement and generous payment plan, this political committee still chose to violate not just the state’s campaign finance laws but also the terms of the settlement itself. The public and donors have a right to know what debts exist for this political committee as well as how this committee spends its resources - accurately - not in a deceptive manner to hide the truth from the public.

List of attached evidence or contact information where evidence may be found.

Both the 2016 PDC Order of fine is attached and the 2018 AG lawsuit settlement is attached for reference. Both documents are referenced extensively in the body of the complaint.

List of potential witnesses with contact information to reach them.

Both current and former officers and treasurers appear to be involved in these violations.

Complaint Certification:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.