



**State of Washington**  
**PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908  
(360) 753-1111 • FAX (360) 753-1112

**Toll Free 1-877-601-2828 • E-mail: [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov) • Website: [www.pdc.wa.gov](http://www.pdc.wa.gov)**

July 31, 2019

Sent electronically to Kathryn Williams, Vice President Public Affairs for Natural Gas PAC

Subject: Complaint filed regarding Natural Gas PAC, PDC Case 20937

Ms. Williams,

I have attached a copy of a letter sent electronically to Glen Morgan concerning the complaint he filed with the Public Disclosure Commission (PDC) against the Natural Gas PAC for 2016 contributions made to Chris Reykdal for Superintendent of Public Instruction, and Patricia McCarthy for Washington State Auditor.

As noted in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into the allegations or taking any action in this matter.

Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at [kurt.young@pdc.wa.gov](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/\_\_\_\_\_  
Kurt Young, Compliance Officer

s/\_\_\_\_\_  
BG Sandahl, Deputy Director for  
Peter Lavalley, Executive Director



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July 31, 2019

Sent electronically to Glen Morgan

Subject: Complaint filed against Natural Gas PAC, PDC Case 20937

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on June 13, 2017. Your complaint alleged that the Natural Gas PAC made two \$500 monetary contributions during the 2016 election to Chris Reykdal for Superintendent of Public Instruction, and Patricia McCarthy for Washington State Auditor, but that the Natural Gas PAC failed to file an Out-of-State Committee Report (C-5 report) as required in accordance with RCW 42.17A.250.

PDC staff reviewed the allegations listed in the complaint, the statutes, rules and reporting requirements, the PDC database for contribution information for the Natural Gas PAC, the Oregon Secretary of State's Office for committee reports and information filed by the Natural Gas PAC, and the Lobbyist Registration (L-1 report) and Lobbyist Monthly Expense Reports (L-2 reports) filed by the Nexus Group, LLC as a contract lobbyist for NW Natural. The complaint was also filed with Washington State Attorney General's Office (AGO) as a Citizen Action Notice (CAN). Based on staff's review, we found the following:

- On November 7, 2016, the 2016 Chris Reykdal for Superintendent of Public Instruction Campaign (Campaign) timely filed a Monetary Contributions report (C-3 report) with the PDC disclosing that the Campaign received a \$500 monetary contribution from the Natural Gas PAC located in Portland, Oregon on November 2, 2016. The Campaign timely deposited the funds into the bank account on November 7, 2016, and properly attributed the contribution to the 2016 general election contribution limits.
- On October 17, 2016, the Pat McCarthy for State Auditor Campaign timely filed a C-3 report with the PDC disclosing that the Campaign received a \$500 monetary contribution from the Natural Gas PAC on October 14, 2016, and listed the address as 220 NW 2<sup>nd</sup> Avenue, Portland, OR 97209-3943 . The Campaign timely deposited the funds into the bank account on October 14, 2016, and properly attributed the contribution to the 2016 general election contribution limits.
- The Natural Gas PAC is an Oregon political committee that is registered with the Oregon Secretary of State's Office.

- Staff reviewed the Natural Gas PAC's filings on the Oregon Secretary of State's campaign finance website which went back to November of 2006 and found that the 2016 contributions to Pat McCarthy and Chris Reykdal had been timely disclosed.
- As an out-of-state political committee, the Natural Gas PAC was required to file two C-5 reports no later than November 10, 2016, and December 10, 2016 respectively, in accordance with RCW 42.17A.250. Concerning the two contributions alleged in your complaint:
  1. The 2016 Chris Reykdal for SPI Campaign disclosed receiving \$242,251 in total monetary and in-kind contributions, and the \$500 monetary contribution represented less than .003 percent of total contributions received for the entire 2016 election cycle.
  2. The 2016 Pat McCarthy for State Auditor Campaign disclosed receiving \$163,519 in total monetary and in-kind contributions, and the \$500 monetary contribution represented slightly more than .0031 percent of total contributions received for the entire 2016 election cycle.
- On July 13, 2017, PDC staff was informed the AGO would not be pursuing this matter, and staff attempted to contact the Natural Gas PAC representative at an email address found by staff on several occasions. No response was received by the PDC.
- Staff reviewed the PDC contribution database and found that several additional contributions had been made by NW Natural Gas in 2016 to Washington State Legislative candidates and to each of the four caucus political committees. Staff also reviewed the Oregon Secretary of State's website for political committees in June of 2019 and found a recent NW Natural Gas PAC registration listing Kathryn Williams as the contact person.
- PDC staff exchanged emails and voice messages with Ms. Williams, Vice President of Public Affairs for NW Natural, who stated in the emails and a July 25, 2019 cover letter that her predecessor, Gary Bauer, had discussed the complaint with AGO staff as part of the CAN process. Ms. Williams stated Mr. Bauer had explained to AGO staff that *"NW Natural (the Company) is a corporation doing business in Washington state and is regulated by the WUTC. As such, the Company employed a registered lobbying firm and reported all associated expenses via the "L" form reporting track. This included the questioned contributions contained in the complaint."*
- On July 29, 2019, Natural Gas PAC filed a C-5 report for 2016 disclosing the two \$500 monetary contributions made to Pat McCarthy and Chris Reykdal, \$15,976.50 in contributions made to 2016 Washington State Legislative candidates, and \$4,000 (\$1,000 each) to the four caucus political committees.
- Staff reviewed the L-2 reports filed by the Nexus Group, LLC for 2016 for NW Natural Gas and found that the June 2016 L-2 report disclosed 33 monetary contributions had been made to Washington State Legislative and caucus political committees totaling \$19,976.50. Staff's review confirmed the September 2016 L-2 report was timely filed by the Nexus Group, LLC disclosing the two \$500 monetary contributions made to Pat McCarthy and Chris Reykdal on behalf of the employer NW Natural Gas as listed in your complaint. In addition, the L-2 report timely disclosed an additional \$500 contribution made to Pat McCarthy from the Nexus Group, LLC.
- NW Natural Gas has no prior PDC violations.

While it appears that the Natural Gas PAC was required to disclose the two \$500 contributions made during the 2016 election cycle as an out-of-state committee on two C-5 reports, the 2016 L-2 reports filed by the Nexus Group, LLC on behalf of its employer, NW Natural Gas, timely disclosed the two \$500 contributions as well as \$19,976.50 in contributions made to 2016 Legislative candidate and the four caucus political committees. In addition, the candidates and caucus political committees that received contributions from NW Natural Gas timely disclosed the contributions on their respective Monetary Contribution reports (C-3 reports).

Based on this information, the PDC has determined that the facts do warrant further investigation and has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at [kurt.young@pdc.wa.gov](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/\_\_\_\_\_  
Kurt Young, Compliance Officer

s/\_\_\_\_\_  
BG Sandahl, Deputy Director for  
Peter Lavallee, Executive Director

cc: Kathryn Williams, NW Natural Gas

