



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: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

September 27, 2019

Sent electronically to David Taylor

Subject: Complaint filed regarding David Taylor, PDC Cases 14176 and 24644

Representative Taylor,

Below is a copy of an electronic letter sent to Alex Bond (PDC Case 14176) and Walter Smith (PDC Case 24644) concerning the two complaints filed with the Public Disclosure Commission (PDC) against you. As noted in the letter to Mr. Bond and Mr. Smith, the PDC will not be conducting a more formal investigation into these allegations or take further enforcement action in this matter since you completed a Statement of Understanding (SOU) and paid a \$150 civil penalty acknowledging a violation of RCW 42.17A.235 for failing to timely file a Monetary Contribution report (C-3 report).

PDC staff is reminding you should you become a candidate again for public office in the future, that you timely and accurately file all C-3 and C-4 reports for your Campaign disclosing contribution and expenditure activities undertaken, and should you be elected and create a surplus funds account, all C-3 and C-4 reports as required by PDC statutes, rules, and reporting requirements.

Based on this information, the PDC has dismissed the two complaints, PDC Case 14176 and PDC Case 24644 in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at (360) 664-8854, toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Kurt Young
Compliance Officer

/s _____
BG Sandahl, Deputy Director for
Peter Lavalley, Executive Director



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September 27, 2019

Sent electronically to Alex Bond and Walter Smith

Subject: Complaints regarding David Taylor, PDC Cases 14176 and 24644

Dear Mr. Bond and Mr. Smith:

The Public Disclosure Commission (PDC) has completed its review of the complaints each of you filed alleging that David Taylor, an incumbent State Representative for the 15th Legislative District and a candidate seeking re-election to that office in 2018, may have violated: (1) RCW 42.17A.235 by failing to timely file a Monetary Contributions report (C-3 reports) disclosing monetary contributions received and deposited into the Campaign bank account; and (2) RCW 42.17A.445 by using campaign funds to make an unauthorized expenditure to a charitable organization. For your information, in order to more efficiently use PDC resources both of your complaints are being combined into one complaint return letter.

PDC staff reviewed the allegations listed in the two complaints and exhibits, the statutes, rules and reporting requirements, the C-3 and C-4 reports filed by the Committee to Elect David Taylor (Campaign), and the responses from Representative Taylor to the two complaints. Based on staff's review, we found the following:

- On September 18, 2017, David Taylor filed a Candidate Registration (C-1 report) declaring his candidacy for re-election to State Representative in the 15th Legislative District, Position 2 in 2018, selecting the Full Reporting Option, and listing Christina Morehead as Treasurer. Representative Taylor was appointed to the Legislature on March 30, 2009, elected to office in 2009, and re-elected in 2010, 2012, 2014, and 2016.
- Representative Taylor did not finish in the top two in the 2018 Primary Election, and his name did not appear on the 2018 General Election ballot.

Allegation #1: Alleged failure to timely file C-3 report:

- The Campaign failed to timely file a C-3 report that was required to have been filed on November 10, 2015, for contributions received and deposited in October of 2016. The Campaign completed a Statement of Understanding (SOU) acknowledging a violation of RCW 42.17A.235 for the C-3 report listed below.
- On February 28, 2017, the Committee to Elect David Taylor (Campaign) filed a C-3 report disclosing \$3,850 in monetary contributions from six contributors that were received between October 20 through 21, 2015. The C-3 report listed the contributions were deposited on October 21, 2015, which required the C-3 report filed to be filed no later than November 10, 2015.
- The \$3,850 in monetary contributions included five contributions totaling \$2,950 that were made by political committees registered with the PDC or from an organization registered as a Lobbyist employer. The contributions were disclosed 476 days late and more than 112 days after the November 8, 2016 general election date and represented more than ten percent of total contributions received in 2016.

- Representative Taylor stated that after reviewing the complaint and his Campaign records, “we discovered we had inadvertently forgot to file a C-3 as alleged.” He stated that his records indicated that the “PDC’s website was down for routine maintenance during the time period in question and we simply forgot to file the C-3 after the website was back online.” He stated that the Campaign apologized for the oversight, and that the correct C-3 report had been filed (Confirmation #100750116).
- On April 15, 2019, David Taylor completed a Statement of Understanding (SOU) and paid a \$150 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging a violation of RCW 42.17A.235 for failing to timely file the C-3 report referenced above.

Allegation #2: Alleged failure to timely file C-3 report:

- The second allegation in the complaint filed by Mr. Smith concerned two Campaign expenditures made to Life Choices (a 501(c)(3) non-profit organization) as follows: (1) on September 27, 2016, the Campaign made an \$800 expenditure to Life Choices; and (2) on November 20, 2016, the Campaign made a \$400 expenditure to Mr. Taylor reimbursing him for attending a Life Choices banquet after the 2016 general election had been held. The complaint alleged that neither expenditure was directly campaign related and therefore both were prohibited personal use expenditures.
- Representative Taylor stated that in September of 2016, his Campaign “purchased two tables for the Life Choices of Yakima annual dinner for \$800 for supporters and volunteers to attend” and that in November of 2016, his Campaign “donated \$400 to Life Choices of Yakima at the dinner.” He stated that Life Choices of Yakima is a 501(c)(3), charitable organization and that he had funds available in the surplus funds account to cover both expenditures and noted that a candidate’s surplus funds can be donated to charitable organizations.
- Representative Taylor stated that after reviewing the Campaign records, “we discovered we inadvertently used our campaign account and not our surplus account to make those payments” and noted that the \$800 expenditure was “to sponsor two tables for campaign supporters and volunteers” and was a “campaign related expenditure”. He acknowledged that the \$400 expenditure was a donation to Life Choices of Yakima and stated that neither of the expenditures were used for his personal benefit. He added that since they used Campaign funds to make the two expenditures and not the surplus funds account, “there is question as to whether the expenditures should have been made. Therefore, we have reimbursed the campaign account \$1,200.”
- On September 18, 2017, the Campaign filed a C-3 report disclosing that the 2016 received and deposited a \$1,200 contribution from David Taylor.

Additional Issues

- Staff’s review found that the Campaign needed to: (1) file additional C-4 reports for 2018 including the 2018 Post-Primary election C-4 report, and any C-3 reports for contributions received after August 9, 2019; (2) file C-4 reports for the David Taylor Surplus funds account dating back to 2013; and (3) refund 2018 general election contributions received by the Campaign from BNSF; WA Beverage Association; Stand for Children PAC; Boeing; WA Association of Realtors; and Puget Sound Energy.
- On August 1, 2019, the Campaign filed nine C-4 reports for the David Taylor Surplus funds account.
- On September 16, 2019, the Campaign filed 135 total reports that included: (1) the 2018 Post-Primary election C-4 report, four additional C-4 reports covering the remainder of calendar year 2018, and an amended C-4 reports marked as “Final” disclosing the Campaign received \$60,484 in total contributions received, \$17,331 in expenditures made, and \$43,153 in surplus funds; (2) six amended C-3 reports deleting the 2018 general election contributions received by the Campaign from BNSF; WA Beverage Association; Stand for Children PAC; Boeing; WA Association of Realtors; and Puget Sound Energy; and (3) C-4 reports for the David Taylor Surplus funds account that included a September 15, 2019 “Final” report disclosing the disposal of the \$43,153 in remaining surplus funds.

As noted above, David Taylor completed an SOU and paid a \$150 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging a violation of RCW 42.17A.235 for failing to timely file one C-3 report disclosing \$3,850 in monetary contributions received 476 days late, and more than three months after the November 8, 2016 general election had been held. The \$150 penalty assessed in this matter resolves the allegations listed in your two complaints concerning the late filed report.

While the additional items listed above were not included in either of the two complaints filed, the C-4 reports filed for the 2018 Campaign and the David Taylor Surplus Fund account were clearly filed late. However, the Campaign worked through several filing and other issues to bring their reports into compliance, and the Campaign has filed "Final" C-4 reports for both the 2018 Campaign and the David Taylor Surplus Funds account.

Based on staff's findings and the facts that Representative Taylor had no prior PDC violations, the late filed 2018 Campaign reports were for contribution and expenditure activities undertaken after the 2018 Primary Election had been held, and he is no longer in office, staff has determined in this instance, the late filed reports does not warrant further investigation.

PDC staff has reminded David Taylor should he become a candidate again for public office in the future, that he timely and accurately file C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by his Campaign as required by PDC statues, rules, and reporting requirements.

The PDC has dismissed the two complaints, PDC Case 14176 and PDC Case 24644 in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at (360) 664-8854, toll-free at 1-877-601-2828 or by e-mail at pdcc@pdc.wa.gov.

Sincerely,

Endorsed by,

/s _____
Kurt Young
Compliance Officer

/s _____
BG Sandahl, Deputy Director for
Peter Lavalley, Executive Director

cc: David Taylor

