



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
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Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

May 3, 2019

Delivered electronically to Rick Offner, Treasurer for Pierce County Democratic Central Committee at “pcdemsinfo@gmail.com”

Subject: Complaint filed by Glen Morgan, PDC Cases 46474 & 47065

Dear Rick Offner:

Below is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Glen Morgan, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not conduct a more formal investigation into these allegations or take further enforcement action in this matter.

However, pursuant to WAC 390-37-060(1)(b), this letter serves as a warning letter concerning failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing debt. Staff expects the Pierce County Democratic Central Committee (PCDCC) to timely file accurate and complete C-4 reports in future years in accordance with PDC laws and rules. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

In addition, PDC staff is reminding the PCDCC about the importance of timely filing all Monetary Contributions reports (C-3 reports) disclosing deposits made, no matter the source of contributions or the amount. Staff expects the PCDCC to continue utilizing internal controls and audits to ensure timely and accurate reporting of all campaign activities in the future.

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by email at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Peter Lavalley
Executive Director



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May 3, 2019

Delivered electronically to Glen Morgan at “glen@wethegoverned.com”

Subject: Complaint regarding Pierce County Democratic Central Committee, PDC Cases 46474 & 47065

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on February 3, 2019 and February 5, 2019. Your complaints alleged that the Pierce County Democratic Central Committee (PCDCC), a bona fide political party committee may have violated: (1) RCW 42.17A.235 and .240 by failing to timely and accurately file Monetary Contribution reports (C-3 reports) disclosing proceeds from a low-cost fundraiser; and (2) RCW 42.17A.240 by failing to accurately disclose the unsuspended portion of a penalty as a debt.

PDC staff reviewed the allegations listed in the two complaints you filed; the applicable statutes, rules, and reporting requirements; the response provided by Rick Offner, Treasurer for Pierce County Democratic Central Committee; and the applicable PDC reports filed by Respondent, to determine whether the record supports a finding of one or more violations.

Based on staff’s review, we found the following:

- The PCDCC submitted C-1pc reports registering as a Continuing Bona Fide Political Party Committee and selecting the “Full Reporting” option for calendar years 2017 and 2018.
- On January 7, 2019, the PCDCC filed an amended C-1pc report listing Kathy Orlando as Chair and Committee Manager, Rick Offner as Committee Treasurer, Eric Herde as Vice-Chair, and Diane Sandowski as Secretary.
- On October 27, 2017, the PCDCC and the Washington State Attorney General’s Office (AGO), signed a Stipulation and Agreed Judgment, in which the PCDCC agreed to a civil penalty in the amount of \$31,780 with one-half suspended for four years, for its violations of RCW 42.17A for failing to timely disclose contribution and expenditure reports for election years 2015, 2016, and through the date of the agreement for 2017. In addition, the PCDCC agreed to pay the non-suspended portion of the penalty (\$15,890) and fees and costs (\$6,740) in installments of \$3,000 on January 1 and July 1 each year starting in 2018 until paid in full.

Summary of PDC Case 46474

- On January 8, 2019, the PCDCC filed a C-3 report disclosing a \$863 deposit identified as proceeds from a low-cost fundraiser. The report was submitted ninety-nine days late and disclosed that the funds were received and deposited on September 24, 2018.
- In his response, Treasurer Rick Offner, stated that after he was elected in December 2018, the PCDCC undertook a process to reconcile its 2018 books and filings. The \$863 deposit referenced in the complaint was found as a result of that process. The funds were identified as low-cost fundraiser proceeds from the sale of buttons and were collected at the PCDCC's booth during the Washington State Fair in September 2018.
- Staff's review found the \$863 disclosed on the late filed C-3 report represented less than three percent of the total monetary and in-kind contributions reported by the PCDCC during calendar year 2018.

Summary of PDC Case 47065

- The October 27, 2017 Stipulation and Agreed Judgment detailed a payment plan for the unsuspended portion of the penalty, specifically \$3,000 due every January 1st and July 1st, beginning in calendar year 2018, until paid in full.
- The PCDCC has made three scheduled payments of \$3,000 each and disclosed the payments on C-4 reports with expenditure dates of December 18, 2017, June 8, 2018 and December 19, 2018.
- In his response, Mr. Offner stated that the PCDCC has "consistently and accurately disclosed and reported all recurring payments associated with the specified penalty." The PCDCC will be reminded about the new debt reporting requirements that resulted from the passage of ESHB 2938 in June 2018.

Based on staff's review, the late filed C-3 report cited in PDC Case 46474 was the result of an internal audit conducted by the PCDCC. The Commission encourages the practice of internal review and the submittal of missing or incorrect reports of campaign activities.

Based on these findings staff has determined that, in this instance, failure to timely file one C-3 report disclosing proceeds from a low-cost fundraiser and failure to disclose the October 27, 2017 unsuspended penalty owed to the AGO as a debt, does not warrant further investigation or enforcement action.

Pursuant to WAC 390-37-060(1)(b), the PCDCC will receive a formal written warning concerning failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing debt. The formal written warning will include staff's expectation that the PCDCC timely file accurate and complete C-4 reports in future years in accordance with PDC laws and rules. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

In addition, PDC staff is reminding the PCDCC about the importance of timely filing all Monetary Contributions reports (C-3 reports) disclosing deposits made, no matter the source of contributions or the amount. The reminder will include staff's expectation that the PCDCC continue utilizing internal controls and audits to ensure timely and accurate reporting of all campaign activities in the future.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Jennifer Hansen at 1-360-586-4560 toll-free at 1-877-601-2828, or by e-mail at jennifer.hansen@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Peter Lavalley
Executive Director

cc: Pierce County Democratic Central Committee