



**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@pdc.wa.gov • Website: www.pdc.wa.gov

October 28, 2019

Delivered electronically to Mark Lamb on behalf of EvergreenHealth Foundation at
“mark@northcreeklaw.com”

Subject: Complaint filed by Glen Morgan, PDC Case 56252

Dear Mr. Lamb:

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 Mr. 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.

PDC staff is reminding your client, EvergreenHealth Foundation, about the importance of timely registration and disclosure of all contribution and expenditure activities as an incidental committee. PDC staff expects in the future that you will review the activities of EvergreenHealth Foundation, specifically its payments for membership dues and other contributions to political committees, to ensure the timely submittal of the C-IIC and C-8 reports in the future in accordance with PDC laws and rules.

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 pdcc@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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October 28, 2019

Delivered electronically to Glen Morgan at "glen@wethegoverned.com"

Subject: Complaint regarding EvergreenHealth Foundation, PDC Case 56252

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on August 9, 2019. Your complaints alleged that EvergreenHealth Foundation ("Respondent"), a non-profit 501(c)(3) organization registered with the Washington State Secretary of State's Office, may have violated: (1) RCW 42.17A.207 for failure to submit a C-IIC as an Incidental Committee; (2) RCW 42.17A.235 and .240 for failure to timely file Incidental Committee Payments and Political Expenditures reports (C-8 reports); (3) RCW 42.17A.320 for failure to disclose top five contributors in electioneering communication; and (4) RCW 42.17A.235 and .240 for failure to timely and accurately report expenditures for political advertising; or RCW 42.17A.255 for failure to report independent expenditures in support of ballot propositions on Independent Expenditure and Electioneering Communication reports (C-6 reports).

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response provided by Mark Lamb on behalf of his client EvergreenHealth Foundation; 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:

- EvergreenHealth Foundation is a non-profit 501(c)(3) organization registered with the Washington State Secretary of State's Office and has made monetary contributions during calendar year 2019 to local ballot measures.
- With the passage of SSB 5991, commonly known as the *Disclose Act of 2018*, the Legislature established reporting requirements for some nonprofits that make contributions or expenditures in Washington election campaigns above certain thresholds. These organizations are designated as "incidental committees," and were required to register and report effective January 1, 2019.
- RCW 42.17A.207 and WAC 390-05-535 define and require that an incidental committee must file a statement of organization (C-IIC report) with the PDC within two weeks of first: (1) having the expectation of spending \$25,000 or more on Washington state election campaigns, and (2) receiving cumulative payments from a single source of at least \$10,000 within the current calendar year.
- RCW 42.17A.235 requires that incidental committees disclose the top ten sources of cumulative payments of \$10,000 or more received during the calendar year for all purposes, regardless of whether they used the money to fund political activity.

- On August 7, 2019, EvergreenHealth Foundation submitted a C-1IC registering as an incidental committee supporting Proposition 1 in Snohomish County Hospital District #1 and Proposition 1 in King County Hospital District #2 (KCHD #2) in the April 23, 2019 special election and Proposition 1 in KCHD #2 again in the primary election on August 6, 2019.
- On August 7, 2019, the Respondent submitted a C-8 disclosing the source of payments received during calendar year 2019. The C-8 was amended on September 19, 2019 to add specific dates and dollar amounts associated with the election campaigns identified on the incidental committee's C-1IC disclosing \$410,000 in expenditures for the April 23, 2019 election and \$425,000 for the August 6, 2019 election.
- In his response, Mr. Lamb stated his client was unaware of the requirements of RCW 42.17A.207 and its application to their activities and that the C-1IC and original C-8 report was submitted immediately upon being made aware by PDC staff of their filing obligation. In addition, he stated that his client did not mail or pay for the mailer attached in the complaint and that "on information and belief this mailer was sent by King County Public Hospital District #2."

It appears that EvergreenHealth Foundation was unaware of their registration and filing obligations as an incidental committee. The Respondent has not previously been the subject of enforcement action and postmarked the C-1IC and C-8 reports two days prior to the date when the complaint was received.

Based on these findings staff has determined that, in this instance, failure to timely register and file reports as an incidental committee disclosing activity for calendar year 2019 does not amount to a finding of a violation warranting further investigation.

PDC staff is reminding EvergreenHealth Foundation about the importance of the timely registration and disclosure of all contribution and expenditure activities as an incidental committee, and the timely filings of all future PDC reports in accordance with the statutes and rules.

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 pdcc@pdcc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Barbara Sandahl
Deputy Director
For Peter Lavalley
Executive Director

cc: Mark Lamb, Attorney for EvergreenHealth Foundation