

## Complaint Description

Glen Morgan reported via the portal Fri, 9 Aug 2019 at 5:14PM

To whom it may concern,

It has come to my attention that Approve Prop 1 – Our Public Hospital has committed a wide variety of violations of **RCW 42.17A** in their early campaign to support a \$345 million bond property tax proposal in their local hospital district. The following violations appear to have been committed:

**1) Failure to provide accurate information on expenditure – false name of vendor receiving cash contribution (Violation of RCW 42.17A.240 (5))**

This well-funded PAC provided inaccurate information about a final distribution of \$11,912.63 to a recipient called “Evergreen Yes” on 5/31/19 (**See PDC Report #100909056**). However, on that same day, a contribution in the same amount from this same PAC was received at Approve Prop1 – Evergreen Health PAC (**See PDC Report # 100909081**). There is no such thing as any political or legal entity called “Evergreen Yes.” This falsely filed information needs to be corrected to be not just accurate, and legally compliant, but also to allow the public to be able to see where large sums of money are being transferred between large PACs like this.

**2) Failure to provide accurate or adequate detail on expenditures (Violation of RCW 42.17A.240 (6), RCW 42.17A.235, WAC 390-16-037)**

This pro-tax campaign has regularly failed to follow Washington State’s Campaign Finance laws as they apply to the reporting of expenditures. Most of the C4s this campaign filed contain violations of the statute and the rules written by the Public Disclosure Commission which support the statute. Here are some examples that need to be corrected by this PAC to at least go through the motions of complying with the statute:

Examples of a failure to provide sufficient detail of expenditures (unambiguous violations of **RCW 42.17A.240(6)** and **WAC 390-16-037** (see example B provided at **WAC 390-16-037(3)**) can be found on every expenditure referencing “postage,” or signs, or mailers.

In no reported expenditure which include the many media companies used as vendors for this expensive pro-tax PAC funded media campaign are the details about the quantity of mailers (which by the sheer volume of these expenditures was significant and prolific – see **PDC Report # 100909056**, which is attached to this complaint. “Direct Mail Production” has no amount of mailers referenced in the detail. Also, an \$1800 expenditure for “signs” has no details attached. This problem is found in other C4s as well.

### 3) Failure to correctly identify the PAC in the name on C3 documents (Violation of RCW 42.17A.240)

In another weird violation, this committee filed a C3 with the PDC under the incorrect PAC name (see attached **PDC Report # 100884573**). This document was filed under “Monroe Yes PAC”, but that doesn’t seem to be a real PAC. Arguably this could be a violation of **RCW 42.17A.205(2)(a)** which requires the committee to provide it’s name (on the original C1, but presumably this would apply to subsequent C3 and C4 and other documents provided to the PDC).

Despite being well-funded, this PAC does appear to suffer from similar sloppy filing problems discovered in all the PACs associated with the supporting campaign for this huge \$345 million bond campaign for this public hospital district.

Please feel free to contact me if you need further information about this complaint.

Best Regards,

Glen Morgan

100909081 - C3 - different from name on C4.pdf  
22.99 KB

100909056 - C4 - Hospital PAC - no details.pdf  
33.56 KB

100884573 - C3 - 50k donation 1-15-19 - Monroe Yes.pdf  
22.99 KB

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

The public is deceived by the source and recipient of large contributions when incorrect information is supplied to the PDC. The public is also confused when PACs put false information in the name blocks of these documents. The public has a right to know how many mailers or signs are being purchased for the sums defined.

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

see attached

#### List of potential witnesses with contact information to reach them

All officers and treasurer

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.



# CASH RECEIPTS MONETARY CONTRIBUTIONS

## C3

(1/02)

THIS SPACE FOR OFFICE USE

100909081

06-10-2019

Candidate or Committee Name (Do not abbreviate. Use full name.)

**Approve Prop 1 - EvergreenHealth**

Mailing Address

**PO Box 406**

City

**Woodinville, WA**

Zip + 4

**98072**

Office Sought (candidates)

Election Date

**2019**

### 1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous .....		
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c).....		
	c. Loans, notes, security agreements. Attach Schedule L .....		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation .....		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

### 2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
05/31/19	APPROVE OUR PUBLIC HOSPITAL PO Box 406 Woodinville, WA 98072				\$11,912.63	\$11,912.63
		Occupation				
		Occupation				
		Occupation				
		Occupation				
		Occupation				
	<input type="checkbox"/> Check here if additional pages are attached	Sub-total			\$11,912.63	*See reverse for details.
		Amount from attached pages			\$0.00	

### 3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.

**\$11,912.63**

4. Date of Deposit

**05/31/19**

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature

Date

**Jeffrey Cashman**

**06-10-2019**

Treasurer's Daytime Telephone No.: **(206)972-0014**

# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

Candidate or Committee Name (Do not abbreviate. Include full name) <b>Approve Prop 1 - Our Public Hospital</b>			
Mailing Address <b>PO Box 406</b>		City <b>Woodinville, WA</b>	
Zip + 4 <b>98072</b>	Office Sought (Candidates)	Election Date <b>2019</b>	*For PACs, Parties & Caucus Committees: During this report period, did the committee make an <u>independent expenditure</u> (i.e., an expense not considered a contribution) <u>supporting or opposing a state or local candidate?</u>
Report Period Covered <b>05/01/19</b>	From (last C-4) <b>05/01/19</b>	To (end of period) <b>05/31/19</b>	

## RECEIPTS

\*See next page Yes No

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) .....	\$	<b>\$100,355.00</b>
2. Cash received (From line 2, Schedule A) .....	\$	<b>\$0.00</b>
3. In kind contributions received (From line 1, Schedule B) .....		<b>\$0.00</b>
4. Total cash and in kind contributions received this period (Line 2 plus 3) .....		<b>\$0.00</b>
5. Loan principal repayments made (From line 2, Schedule L) .....		<b>\$0.00</b>
6. Corrections (From line 1 or 3, Schedule C) .....	Show + or (-)	<b>\$0.00</b>
7. Net adjustments this period (Combine line 5 & 6) .....	Show + or (-)	<b>\$0.00</b>
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) .....		<b>\$100,355.00</b>
9. Total pledge payments due (From line 2, Schedule B) .....	<b>\$0.00</b>	

## EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) .....		<b>\$69,286.37</b>
11. Total cash expenditures (From line 4, Schedule A) .....		<b>\$31,068.63</b>
12. In kind expenditures (goods & services) (From line 1, Schedule B) .....		<b>\$0.00</b>
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) .....		<b>\$31,068.63</b>
14. Loan principal repayments made (From line 2, Schedule L) .....		<b>\$0.00</b>
15. Corrections (From line 2 or 3, Schedule C) .....	Show + or (-)	<b>\$0.00</b>
16. Net adjustments this period (Combine lines 14 & 15) .....	Show + or (-)	<b>\$0.00</b>
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) .....		<b>\$100,355.00</b>

CANDIDATES ONLY	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:  
**(206) 972-0014**

## CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) .....	<b>\$0.00</b>
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]	
19. Liabilities: (Sum of loans and debts owed) .....	<b>\$0.00</b>
20. Balance (Surplus or deficit) (Line 18 minus line 19) .....	<b>\$0.00</b>

**CERTIFICATION:** I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date	Treasurer's Signature	Date
		<b>Don Miller</b>	<b>06/10/19</b>

# CASH RECEIPTS AND EXPENDITURE

SCHEDULE  
to C4

**A**  
(11/93)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

05/01/19 05/31/19

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ **\$0.00**

**CODES FOR CLASSIFYING EXPENDITURES:** If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE  
DEFINITIONS  
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)  
I - Independent Expenditures  
L - Literature, Brochures, Printing  
B - Broadcast Advertising (Radio, TV)  
N - Newspaper and Periodical Advertising  
O - Other Advertising (yard signs, buttons, etc.)  
V - Voter Signature Gathering

P - Postage, Mailing Permits  
S - Surveys and Polls  
F - Fundraising Event Expenses  
T - Travel, Accommodations, Meals  
M - Management/Consulting Services  
W - Wages, Salaries, Benefits  
G - General Operation and Overhead

## 3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	
05/01/19	ST VINCENT DE PAUL PO Box 2269 Everett, WA 98213-0269		Phone bank rent	\$1,000.00
05/01/19	STEPHANIE PIMENTEL 11th Place SE Lake Stevens, WA 98258		Phone banking	\$1,050.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Retainer April	\$2,500.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Direct mail production	\$2,700.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Audio production	\$563.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Video production	\$2,250.00

Total from attached pages \$ **\$21,005.63**

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ **\$31,068.63**

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 3

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

05/01/19

05/31/19

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Copywriting	\$2,303.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Yard sign construction and delivery	\$1,800.00
05/06/19	SERMO DIGITAL 7605 SE 27th St, #204 Mecer Island, WA 98040		Audio production	\$900.00
05/09/19	REMINGTON RESEARCH GROUP 1251 NW Briarcliff Pkwy, #85 Kansas City, MO 64116		Phone banks	\$4,090.00
05/31/19	EVERGREEN YES PO Box 406 Woodinville, WA 98072		Transfer to close account	\$11,912.63

Page Total \$ \$21,005.63

## Text Page Attachment

Name

4

Please accept this as the final report for this committee.



# CASH RECEIPTS MONETARY CONTRIBUTIONS

## C3

(1/02)

THIS SPACE FOR OFFICE USE

100884573

02-11-2019

Candidate or Committee Name (Do not abbreviate. Use full name.)

**Monroe YES**

Mailing Address

**PO Box 406**

City

**Woodinville, WA**

Zip + 4

**98072**

Office Sought (candidates)

Election Date

**2019**

### 1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous .....		
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c).....		
	c. Loans, notes, security agreements. Attach Schedule L .....		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation .....		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

### 2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100: Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
01/15/19	EVERGREENHEALTH FOUNDATION 12333 NE 130th Ln, #300 Kirkland, WA 98034				\$50,000.00	\$50,000.00
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	Occupation					
	<input type="checkbox"/> Check here if additional pages are attached	Sub-total			\$50,000.00	*See reverse for details.
		Amount from attached pages			\$0.00	
					\$50,000.00	

### 3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.

\$50,000.00

4. Date of Deposit

01/15/19

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature

Date

**Don Miller**

**02-11-2019**

Treasurer's Daytime Telephone No.: **(206)972-0014**