



**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.pdcc.wa.gov

November 5, 2019

Sent electronically to randy@pepplecom.com

Subject: Complaints filed by Glen Morgan, PDC Case 56561

Dear Randy Pepple:

Enclosed is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed with the Public Disclosure Commission (PDC) alleging a violation of RCW 42.17A.240 by failing to accurately report and describe expenditures and contributions; RCW 42.17A.420 for accepting a \$225,000 contribution from EvergreenHealth within 21 days of the August 6, 2019, election and RCW 42.17A.320 for failing to accurately and completely disclose top five contributors in political advertising.

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

However, pursuant to WAC 390-37-060(1)(d), this letter serves as a formal written warning concerning the Committee's failure to comply with the reporting requirements for a Ballot Committee as noted in the enclosed letter. This formal written warning comes with PDC staff's expectation that the Committee and its Officers will accurately report and describe expenditures and contributions in future campaigns.

The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules. Based on this information, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, contact Alice Fiman at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Peter Lavalley
Executive Director



**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.pdcc.wa.gov

November 5, 2019

Sent Electronically to Glen Morgan at glen@wethegoverned.com

Subject: PDC Case 56561, Approve Prop 1 – EvergreenHealth (Sponsored by the EvergreenHealth Foundation)

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed August 9, 2019.

Your complaint alleged, Approve Prop 1 – EvergreenHealth, a Ballot Committee (Committee) formed to support an April 23 and August 6, 2019 bond election for Kirkland's EvergreenHealth Hospital and Medical Campus, violated: (1) RCW 42.17A.240 by failing to accurately report and describe expenditures and contributions on the Summary Full Campaign Contributions and Expenditures Reports (C-4 reports); (2) RCW 42.17A.420 for accepting a \$225,000 contribution from EvergreenHealth within 21 days of the August 6, 2019, primary election and (3) RCW 42.17A.320 for failing to accurately and completely disclose top five contributors in political advertising sponsored by the Committee.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the applicable PDC reports; and the response from Randy Pepple, Campaign Manager, to determine whether the record supports a finding of one or more violations. Based on staff's review, we found the following:

- On January 9, 2019, the Committee filed a registration (C1-pc) report (100880116) with the Public Disclosure Commission listings its name as Evergreen Yes. In addition, two Monetary Contribution (C-3) reports, two amended C-3 reports and one C-4 report were filed by Evergreen Yes.
- On March 10, 2019 the Committee amended its C1-pc (100893132), listing its name as Approve Prop 1 – Evergreen Health. The Committee had received more than 80 percent of its contributions from a single source, EvergreenHealth Foundation, which required the Committee to include this in its name as a sponsor.

- Between March 10 and July 15, the Committee filed under its amended name two C-3 reports, five C-4 reports and two amended C-4 reports. These reports filed by the Committee were related to the April 23, 2019 ballot proposition, with one of the amended C-4 reports (100917214) filed July 15, 2019 listed as the “Final report.”
- On the July 15, 2019 “Final” C-4 report, the Committee disclosed making a \$69,055 expenditure from “Evergreen Yes” to surplus on May 31, 2019.
- On July 16, 2019 the Committee, under the amended name of “Approve Prop 1 – Evergreen Health Sponsored by EvergreenHealth Foundation,” filed its initial C-4 report for the August 6, 2019 primary election as a Ballot Committee and disclosed a starting balance or carryforward amount of \$69,055.
- During staff’s review into the allegations listed in the complaint, it was determined there was a technical error by the PDC that allowed the Committee to inadvertently file a new C-4 report without having to register a new Ballot Committee for the August 6, 2019 primary election.
- The Committee is currently working with PDC staff to file a new C1-pc report for the August 6, 2019 primary election and filing new C-4 and C-3 reports under the new Committee name.
- Concerning the allegation of receiving a \$225,000 contribution from EvergreenHealth within 21 days of the August 6, 2019, primary election, Pepple quoted from the PDC website, noting “The state law prohibiting campaigns from receiving contributions of more than \$5,000 within 21 days of a general election no longer applies to ballot measure committees, pursuant to the federal court ruling in Family PAC v. McKenna et al., 9th Circuit Court of Appeals No. 10-35832 (Dec. 29, 2011). The statute is RCW 42.17A.420 (former RCW 42.17.105(8)).”
- Pepple also stated, “The complaint suggests that Approve Prop 1 – Our Public Hospital should be listed as a donor to our committee, because it transferred its remaining funds to our committee when it terminated its campaign on May 31, 2019.” However, he noted, “that transfer was made to the campaign for an April special election, which closed in June. That transfer was included in the carryforward funds for our August campaign, the reporting process which was suggested to me when I spoke with the PDC for guidance on reporting the August campaign, and was reported as such on the appropriate C4. Additionally, since the EvergreenHealth Foundation was the sole cash donor to both the Approve Prop 1 – Our Public Hospital committee and the Approve Prop 1 – EvergreenHealth committee, there was no effort to hide contributor names from the public.”

- Regarding the allegation of the failure to list expenditure detail on C-4 reports, Pepple stated that the Committee is “prepared to amend the appropriate C4s, to provide information on quantities and vendors, as I didn’t know the high level of additional detail required beyond the vendor name and purpose on PDC reports.”
- The Committee is currently working with PDC staff to amend the expenditure information on the C-4 reports for the August 2019 primary election to correct the errors noted above. The Committee is expected to have this complete by December 31, 2019.

Based on these findings, staff has determined that in this instance, the Committee’s failure to include the complete required expenditure detail for political advertisements purchased by the Committee does not amount to a material violation warranting further investigation. The Committee is continuing to work with PDC staff and making a good faith effort to bring its reports fully into compliance.

Pursuant to WAC 390-37-060(1)(d), the Committee will receive a formal written warning concerning its failure to accurately report and describe expenditures and contributions.

The formal written warning will include staff’s expectation timely and accurately files all future required PDC reports. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or 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, contact Alice Fiman at 1-877-601-2828, or by e-mail pdcc@pdcc.wa.gov.

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Peter Lavalley
Executive Director

/s _____