



**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

October 28, 2019

Delivered electronically to David A. Lawson on behalf of Experience Learning Community (MoPOP) at "davidlawson@dwt.com"

Subject: Complaint filed by Glen Morgan, PDC Case 56613

Dear Mr. Lawson:

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, MoPOP, 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 MoPOP, specifically its payments for membership dues to political committees, to ensure the timely submittal of the C-1IC 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@pdcc.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 Experience Learning Community, PDC Case 56613

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on August 12, 2019. Your complaint alleged that Experience Learning Community DBA Museum of Pop Culture (also known as "MoPOP"), 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-1IC as an Incidental Committee; and (2) RCW 42.17A.235 and .240 for failure to timely file Incidental Committee Payments and Political Expenditures reports (C-8 reports).

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response provided by David A. Lawson, an Attorney with Davis Wright Tremaine, on behalf of his client MoPOP; 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:

- MoPOP is a non-profit 501(c)(3) organization registered with the Washington State Secretary of State's Office and has made one monetary contribution during calendar year 2019 to Cultural Access Washington (CAWA), a political committee registered with the PDC.
- 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-1IC 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 October 8, 2019, MoPOP submitted a C-1IC registering as an incidental committee supporting CAWA.

- On October 8, 2019, MoPOP submitted a C-8 disclosing payments received during calendar year 2019 totaling \$1,948,945 from its top ten largest sources.
- In his initial response, Mr. Lawson stated his client did not believe it met the statutory requirements of RCW 42.17A.207 and .235 because of the single payment made to CAWA for membership dues. The response further explained that although the \$27,460 payment was made to CAWA in 2019, MoPOP accrued liability for its 2019 membership dues in 2018, prior to the Disclose Act's effective date. Mr. Lawson stated that his client applied an accrual method of reporting expenditures consistent with other PDC guidance and stated that MoPOP did not have the expectation of making expenditures in an election campaign or to a political committee, which it believed was "an essential element of status as an incidental committee."
- After additional communication with PDC staff regarding the application of RCW 42.17A.005(22), .207 and .235, MoPOP completed a C-1IC and C-8 reports registering as an incidental committee and disclosing payments received and spent during calendar year 2019.

It appears that MoPOP was aware of the Disclose Act but did not believe it applied to a payment made in 2019 for accrued liability from the previous calendar year and prior to the Act's effective date. its activity their registration and filing obligations as an incidental committee. MoPOP has not previously been the subject of enforcement action and postmarked the C-1IC and C-8 reports promptly upon PDC staff's request.

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 MoPOP 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: David Lawson, Attorney for Experience Learning Community (MoPOP)