



**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

November 1, 2019

Delivered electronically to Seattle Theatre Group at “info@stgpresents.org”

Subject: Complaint filed by Glen Morgan, PDC Case 56627

Dear Mr. Corrington:

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 Seattle Theatre Group 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 STG, 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 Lavalley
Executive Director



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November 1, 2019

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

Subject: Complaint regarding Seattle Theatre Group, PDC Case 56627

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 Seattle Theatre Group (STG), 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; 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 responses provided by Gary Corrington, Chief Financial Officer for STG; 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:

- STG 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-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 October 10, 2019, STG submitted a C-IIC registering as an incidental committee. The C-IIC was amended on October 24, 2019 to indicate STG's support of CAWA.

- On October 10, 2019, STG submitted a C-8 disclosing payments received during calendar year 2019 totaling \$49,475,000 from its top ten largest sources.
- In his initial response, Mr. Corrington stated that STG 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 it believed that CAWA was incorrectly registered as a political committee in 2019 and that the \$62,790 dues payment was “in no way intended to be used for any election campaign, ballot measure or political use.”
- After additional communication with PDC staff regarding the application of RCW 42.17A.005(22), .207 and .235, and separate communication with CAWA regarding its registration status as a 2019 political committee, STG 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 STG was aware of the Disclose Act but did not believe it applied to its 2019 payment because it was not intended to go to political committee or be used in an election campaign. STG 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 STG 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,

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Barbara Sandahl
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cc: Seattle Theatre Group