



**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

October 28, 2019

Delivered electronically to Pacific Northwest Ballet at “dthorpe@pnb.org”

Subject: Complaint filed by Glen Morgan, PDC Case 56694

Dear Mr. Thorpe:

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 Pacific Northwest Ballet Association (PNB) 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 PNB, specifically its payments for membership dues, 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 Pacific Northwest Ballet Association, PDC Case 56694

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 Pacific Northwest Ballet Association (PNB), 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 response provided by David Thorpe, Chief Financial Officer for PNB; 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:

- PNB 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 September 12, 2019, PNB submitted a C-IIC registering as an incidental committee supporting CAWA.

- On September 12, 2019, PNB submitted a C-8 disclosing monetary and in-kind payments received during calendar year 2019 totaling \$2,478,715.92 from its top ten largest sources.
- After communication with PDC staff regarding the application of RCW 42.17A.005(22), .207 and .235, Mr. Thorpe stated PNB's intent to submit a C-1IC and C-8 reports registering as an incidental committee and disclosing payments received and spent during calendar year 2019. The reports were postmarked the following day.

It appears that PNB was initially 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 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 PNB 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: Pacific Northwest Ballet Association (PNB)