



**State of Washington  
PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908

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MARTIN MORGAN  
PO BOX 2181  
KIRKLAND WA 98083

Also delivered electronically to Martin Morgan at “martinmorgan77@gmail.com”

January 13, 2020

Subject: C-1 & F-1 Brief Enforcement Hearing Notice; PDC Case Number 58694

Dear Mr. Morgan:

Public Disclosure Commission (PDC) records indicate that you were a candidate for public office in 2019, and were required to submit a Candidate Registration (C-1 report) disclosing your campaign information for the 2019 election cycle, and a Personal Financial Affairs Statement (F-1 report) disclosing your financial activities for twelve months prior to becoming a candidate.

RCW 42.17A.205 and RCW 42.17A.700 require candidates to file a C-1 report and an F-1 report, within two weeks of declaring their candidacy, or no later than June 3, 2019.

The C-1 was filed on October 24, 2019, 143 days late and the F-1 was filed on August 15, 2019, 73 days late.

In accordance with RCW 42.17A.110 and RCW 42.17A.755, a Brief Adjudicative Proceeding (Brief Enforcement Hearing) has been scheduled to determine if you violated RCW 42.17A.205 and RCW 42.17A.700 by failing to timely file the required C-1 report and F-1 report. Under the Brief Enforcement Hearing rules, the Presiding Officer has the authority to assess a civil penalty in accordance with WAC 390-37-143, a penalty schedule adopted by the Commission (see enclosed copy).

**HEARING INFORMATION**

Date and time: **January 23, 2020 at 3:00 p.m.**  
Place: Evergreen Plaza Building, Room 206  
711 Capitol Way, Olympia, WA, 98504-0908  
Presiding Officer: David Ammons, Chair, Public Disclosure Commission

## TO AVOID THE HEARING

In order to avoid the Brief Enforcement Hearing, please ensure that the following items are received by the PDC by **12:00 p.m. Friday, January 17, 2020**:

1. A signed Statement of Understanding (blank copy enclosed); and
2. A check or money order for \$300, made payable to Washington State Treasurer.

Mail both items to the following address:

**Public Disclosure Commission**  
**PO Box 40908**  
**Olympia, WA 98504-0908**

If there are circumstances you wish to have considered at the Brief Enforcement Hearing, you may attend the hearing in person, participate by telephone, or submit written materials addressed to the Presiding Officer. For your information, most Respondents who participate at the Brief Enforcement hearings participate by telephone or in writing.

If you cannot participate either in person or by telephone at the Brief Enforcement Hearing, you may provide a written response describing the facts of your case and any circumstances or mitigating factors you would like the Presiding Officer to consider. Please submit your written response so it is received by no later than **12:00 p.m. Wednesday, January 15, 2020**.

If you plan on participating at the Brief Enforcement hearing or have questions about the hearing process, please contact PDC Staff by email at [pdcc@pdc.wa.gov](mailto:pdcc@pdc.wa.gov) – and be sure to reference your case number in the subject line of the email.

Sincerely,

Jennifer Hansen  
Compliance Officer

Enclosures:

- Statement of Understanding
- Brief Enforcement Hearings FAQ
- PDC Penalty Schedule

## Public Disclosure Commission Statement of Understanding

### Martin Morgan: PDC Case #58694

I \_\_\_\_\_, hereby acknowledge that I violated:  
(Printed Name of Respondent)

- (1) The conditions of the Initial Order entered on August 21, 2015 regarding Public Disclosure Commission (PDC) Case #16-210 that found one violation of RCW 42.17A.205 for failing to file the Candidate Registration (C-1 report) within two weeks of declaring candidacy for Kirkland City Council in 2015, thereby triggering the \$100 suspended penalty assessed;
- (2) RCW 42.17A.205 for failing to file the C-1 within two weeks of declaring candidacy for Kirkland City Council in 2019; and
- (3) RCW 42.17A.700 for failing to file the Personal Financial Affairs Statement (F-1 report) within two weeks of declaring candidacy for Kirkland City Council in 2019.

#### 2015 ELECTION PDC Case #16-210

- Martin Morgan was a candidate for Kirkland City Council in the 2015 election and was required to file a C-1 within two weeks of becoming a candidate or no later than June 1, 2015.
- On August 13, 2015, the PDC held a Brief Adjudicative Proceeding (Brief Enforcement Hearing) to determine whether Mr. Morgan had violated RCW 42.17A.205 by failing to timely file the C-1.
- The Presiding Officer found one violation of RCW 42.17A.205 and assessed a \$100 civil penalty, in accordance with WAC 390-37-165 (now codified at WAC 390-37-143), and suspended the entire amount on the condition that Mr. Morgan commits no further violations of RCW 42.17A for a period of four years after the date of the Order entered on August 21, 2015.
- The C-1 was filed on October 15, 2015, 136 days late.

#### 2019 ELECTION PDC Case #58694

- Martin Morgan was a candidate for Kirkland City Council in the 2019 election and was required to file a C-1 and an F-1 within two weeks of becoming a candidate or no later than June 3, 2019.
- The C-1 was filed on October 24, 2019, 143 days late.
- The F-1 was filed on August 15, 2019, 73 days late.

I, Martin Morgan, would like to avoid the time and expense resulting from a Brief Adjudicative Proceeding (Brief Enforcement Hearing) being scheduled by the PDC staff.

Therefore, in lieu of PDC staff scheduling a Brief Enforcement Hearing, I am completing this Statement of Understanding, and enclosing a check or money order in the amount of \$300 as a penalty payment in this matter.

The \$300 penalty assessed in this matter is based on: (1) a \$100 penalty for the acknowledged violation of RCW 42.17A, thereby violating the conditions of the Order regarding PDC Case #16-210; (2) a \$150 penalty for the acknowledged violation of RCW 42.17A.205 for failing to file the C-1 within two weeks of declaring candidacy for Kirkland City Council in 2019; and (3) a \$50 penalty for the acknowledged violation of RCW 42.17A.700 for failing to file the Personal Financial Affairs Statement (F-1 report) within two weeks of declaring candidacy for Kirkland City Council in 2019.

The \$300 penalty is being assessed in accordance with the Penalty Schedule adopted by the Commission for Brief Enforcement Hearings set forth in WAC 390-37-143.

I understand that by completing this Statement of Understanding, I am acknowledging the violations of RCW 42.17A set forth above, and I am waiving my right to a hearing in this matter.

\_\_\_\_\_  
Martin Morgan

\_\_\_\_\_  
Date Signed

Please make your check or money order payable to the “**Washington State Treasurer**” and be sure to include the PDC Case number(s) in the memorandum field, and mail or deliver this Statement of Understanding along with your payment to:

**Public Disclosure Commission  
711 Capitol Way, Room 206  
PO Box 40908  
Olympia, WA 98504-0908**

## **BRIEF ENFORCEMENT HEARINGS – INFORMATION FOR FILERS**

**You have received a letter or email from the PDC scheduling a Brief Enforcement Hearing before a PDC Commissioner. Here are the answers to some Frequently Asked Questions about these brief hearings. This FAQ is informational only and should not be considered legal advice.**

### **What is a Brief Enforcement Hearing?**

The PDC is responsible for enforcing the State's campaign finance laws. We may schedule what is called a Brief Enforcement Hearing (also known as a "Brief Adjudicative Proceeding" under the Administrative Procedure Act) to address compliance with campaign finance reporting requirements when evidence shows the following types of alleged violations may have occurred:

- Failure to file or timely file required reports of financial affairs, campaign contributions and/or expenditures, independent expenditures, or funds spent on lobbying;
- Improper use of public facilities or resources in election campaigns when the value of public funds expended or facilities used was minimal; and
- Infractions of political advertising laws regarding sponsor identification or political party identification.

Brief Enforcement Hearings may be scheduled on other matters as well, if the basic facts are agreed to or are not being contested, and it is anticipated that the likely penalty imposed (if a violation is found) will be \$1,000 or less. The Commission has adopted a penalty schedule for Brief Enforcement Hearings which can be found in the Washington Administrative Code [WAC 390-37-143](#).

A Presiding Officer, who is a PDC Commissioner, will conduct the hearing. PDC staff will present the case to the Presiding Officer, and you will have an opportunity to explain the circumstances related to the alleged violations. You may do this in person, by telephone, or in writing by email or letter.

### **Who are the parties involved?**

The PDC Staff initiates and investigates possible violations, and brings cases forward to the Commission or its Presiding Officer. The person who is alleged to be out of compliance with the law is referred to as the "Respondent."

### **What can I do to avoid the hearing?**

If you received a hearing notice, you still have the opportunity to come into compliance by filing the missing report(s), paying the stated penalty, and completing a Statement of Understanding stipulating to the violation(s). If you would like to take this approach, please contact PDC Compliance and Enforcement Staff at [pdcc@pdc.wa.gov](mailto:pdcc@pdc.wa.gov).

### **What do I do to prepare for the hearing?**

The brief hearings are informal in nature. You are not required to have an attorney for this hearing. Hearings take place in the PDC meeting room where Commission meetings are held. You need to let the Staff know at least five business days before the hearing whether you will be participating in-person or by phone, or prefer not to participate.

***In-person participation.*** If you are attending in-person, bring all of the written information that you want the Presiding Officer to consider in making a decision. You will need to bring three copies of any document — one for you, one for PDC Staff, and one for the Presiding Officer. Alternatively, you may submit one copy to PDC Staff and they'll provide a copy to the Presiding Officer, as long as it is received five business days before the day of the hearing.

If you are having other people (witnesses) testify on your behalf, they must be available at the hearing, and Staff needs to be informed of the number of witnesses and time needed for their testimony when you notify the Staff of your participation. The scheduled hearing starting time is the start time for several matters that will be heard by the

Presiding Officer, and your case may not be the first one heard. So you will need to remain available to participate until your case is called.

***Participation by telephone.*** If you wish to participate by phone, please let PDC Staff know five business days before the hearing the number where you can be reached and the timeframe you are available. You must be available at the designated time and telephone number. As mentioned above, the hearing time is an estimate, and you must be available until your case is called.

***Participation in-writing.*** If you are participating only by submitting written materials, make sure any written materials you want the Presiding Officer to consider are delivered to the PDC office no later than five business days before the hearing.

***Waiving your right to participate.*** If you have submitted nothing in writing prior to the hearing, have made no other arrangements, and you do not appear in person, by phone, or through your legal counsel at the hearing, it will be presumed that you have decided to waive your right to participate at the hearing.

### **What happens at the hearing?**

The Presiding Officer will introduce the participants and explain the procedure for the hearing. The hearing will be audio-taped.

The Presiding Officer will swear-in PDC Staff for them to present information regarding the alleged violation of law. You will then have an opportunity to testify, which is your opportunity to present information. All testimony by Staff, Respondents, and witnesses is given under oath, but you are seated at a regular meeting table with a microphone, not in a courtroom. The Presiding Officer may ask you some questions about the information you, PDC Staff, or witnesses have presented. If you have decided to participate in writing instead of in person or by phone, your written information will be considered by the Presiding Officer as part of the hearing materials.

If at any time the Presiding Officer believes the alleged violations are serious enough to merit penalties greater than \$1,000, the Presiding Officer will adjourn the hearing and direct that the matter be scheduled for a hearing before the full Commission at a later time.

### **How is the decision made?**

After considering all the information presented at the hearing, the Presiding Officer will make a decision about the allegation(s) and any appropriate penalty amount. The decision is typically announced orally at the hearing.

The Presiding Officer will use the penalty schedule referred to above that has been adopted by the Commission in rule to determine the appropriate penalty for certain types of violations, taking into account aggravating and mitigating factors. The penalty schedule is below.

### **What happens after my hearing?**

A written decision, called an Initial Order, laying out the Presiding Officer's ruling, including the findings and the penalty, will be sent to you. The PDC tries to get orders issued within 10 days if possible, and not later than 30 days. If a monetary penalty is imposed in the Initial Order, the penalty must be paid to the **Washington State Treasurer**, and mailed to the address listed in the Order cover letter within the time frame stated in the Order.

Along with your Initial Order, you will also receive information about your appeal rights, including how to request review or reconsideration by the full Commission if you disagree with the Initial Order. Follow these procedures carefully if you wish to appeal. If there is no appeal before the PDC, the Initial Order becomes a Final Order, and further appeals must be made in Superior Court.

### **What are the rules that apply to the procedures of my hearing?**

The PDC's laws and rules are available on the PDC's website at [www.pdc.wa.gov](http://www.pdc.wa.gov). The laws are in the Revised Code of Washington ([RCW Chapter 42.17A](#)). The rules are in the Washington Administrative Code ([WAC Title 390](#)). Brief Adjudicative Proceedings are described at [WAC 390-37-140](#) through [390-37-150](#) and in the Administrative Procedure Act (APA) at [RCW 34.05.482-494](#).

**Penalty Schedule [[WAC 390-37-143](#)]:**

The Presiding Officer may assess a penalty up to one thousand dollars upon finding a violation of chapter [42.17A](#) RCW or Title 390 WAC.

(1) Base penalty amounts:

Violation	1st Occasion	2nd Occasion	3rd Occasion
Failure to timely file an accurate and complete statement of financial affairs (F-1):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150	\$150 - \$300	\$300 - \$600
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150	\$300	\$600
Failed to file report by date of enforcement hearing.	\$250	\$500	\$1,000
Candidate's failure to timely file an accurate and complete registration statement (C-1)/statement of financial affairs (F-1):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150 per report	\$150 - \$300 per report	\$300 - \$600 per report up to \$1,000
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150 per report	\$300 per report	\$600 per report up to \$1,000
Failed to file report by date of enforcement hearing.	\$250 per report	\$500 per report	consideration by full commission
Failure to timely file an accurate and complete lobbyist monthly expense report (L-2):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150	\$150 - \$300	\$300 - \$600
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150	\$300	\$600
Failed to file report by date of enforcement hearing.	\$250	\$500	\$1,000
Failure to timely file an accurate and complete lobbyist employer report (L-3):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150	\$150 - \$300	\$300 - \$600

Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150	\$300	\$600
Failed to file report by date of enforcement hearing.	\$250	\$500	\$1,000
Failure to timely file accurate and complete disclosure reports:			
Political committee registration (C-1pc).	\$150	\$300	\$600
Statement of contributions deposit (C-3).	\$150	\$300	\$600
Summary of total contributions and expenditures (C-4).	\$150	\$300	\$600
Independent expenditures and electioneering communications (C-6).	\$150	\$300	\$600
Last minute contribution report (LMC).	\$150	\$300	\$600
Out-of-state committee report (C-5).	\$150	\$300	\$600
Annual report of major contributors (C-7).	\$150	\$300	\$600
Failure to timely file accurate and complete reports disclosing lobbying activities:			
Lobbyist registration (L-1).	\$150	\$300	\$600
Public agency lobbying report (L-5).	\$150	\$300	\$600
Grass roots lobbying report (L-6).	\$150	\$300	\$600
Failure to file electronically.	\$350	\$650	\$1,000
Exceeding contribution limits.	\$150	\$300	\$600
Exceeding mini reporting threshold.	\$150	\$300	\$600
Failure to comply with political advertising sponsor identification requirements.	\$150	\$300	\$600
Failure to include required candidate's party preference in political advertising.	\$150	\$300	\$600
Failure to comply with other political advertising requirements, RCW <a href="#">42.17A.330</a> through <a href="#">42.17A.345</a> .	\$150	\$300	\$600
Use of public facilities to assist a campaign for election or promote a ballot measure.	\$150	\$300	\$600
Treasurer's failure to timely file an accurate and complete annual treasurer's report (T-1):			
Filed report after hearing notice, but before enforcement hearing. Provided written explanation or appeared at hearing to explain mitigating circumstances. Did not enter into statement of understanding.	\$0 - \$150	\$150 - \$300	\$300 - \$600
Filed report after hearing notice, but before enforcement hearing. Did not enter into statement of understanding.	\$150	\$300	\$600
Failed to file report by date of enforcement hearing.	\$250	\$500	\$1,000

"Occasion" means established violation. Only violations in the last five years will be considered for the purpose of determining second and third occasions.

(2) In determining the appropriate penalty, the presiding officer may consider the nature of the violation and aggravating and mitigating factors, including:

- (a) Whether the respondent is a first-time filer;
- (b) The respondent's compliance history for the last five years, including whether the noncompliance was isolated or limited in nature, indicative of systematic or ongoing problems, or part of a pattern of violations by the respondent, or in the case of a political committee or other entity, part of a pattern of violations by the respondent's officers, staff, principal decision makers, consultants, or sponsoring organization;
- (c) The respondent's unpaid penalties from a previous enforcement action;
- (d) The impact on the public, including whether the noncompliance deprived the public of timely or accurate information during a time-sensitive period, or otherwise had a significant or material impact on the public;
- (e) The amount of financial activity by the respondent during the statement period or election cycle;
- (f) Whether the late or unreported activity was significant in amount or duration under the circumstances, including in proportion to the total amount of expenditures by the respondent in the campaign or statement period;
- (g) Corrective action or other remedial measures initiated by respondent prior to enforcement action, or promptly taken when noncompliance brought to respondent's attention;
- (h) Good faith efforts to comply, including consultation with PDC staff prior to initiation of enforcement action and cooperation with PDC staff during enforcement action, and a demonstrated wish to acknowledge and take responsibility for the violation;
- (i) Personal emergency or illness of the respondent or member of his or her immediate family;
- (j) Other emergencies such as fire, flood, or utility failure preventing filing;
- (k) Sophistication of respondent or the financing, staffing, or size of the respondent's campaign or organization; and
- (l) PDC staff, third-party vendor, or equipment error, including technical problems at the agency preventing or delaying electronic filing.

(3) The presiding officer has authority to suspend all or a portion of an assessed penalty under the conditions to be determined by that officer including, but not limited to, payment of the nonsuspended portion of the penalty within five business days of the date of the entry of the order in that case.

(4) If, on the third occasion, a respondent has outstanding penalties or judgments, the matter will be directed to the full commission for consideration.

(5) The presiding officer may direct a matter to the full commission if the officer believes one thousand dollars would be an insufficient penalty or the matter warrants consideration by the full commission. Cases will automatically be scheduled before the full commission for an enforcement action when the respondent:

- (a) Was found in violation during a previous reporting period;
- (b) The violation remains in effect following any appeals; and
- (c) The person has not filed the disclosure forms that were the subject of the prior violation at the time the current hearing notice is being sent.

[Statutory Authority: RCW [42.17A.110](#)(1) and 2018 c 304. WSR 18-24-074, § 390-37-143, filed 11/30/18, effective 12/31/18. Statutory Authority: RCW [42.17A.110](#)(1) and [42.17A.570](#). WSR 18-10-088, § 390-37-143, filed 5/1/18, effective 6/1/18. Statutory Authority: RCW [42.17A.110](#). WSR 17-03-004, § 390-37-143, filed 1/4/17, effective 2/4/17.]