



**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

January 15, 2020

Delivered electronically to Mia Gregerson at "peopleformia@gmail.com"

Subject: Complaint filed by Glen Morgan, PDC Cases 59019 & 59569

Dear Representative Gregerson:

Below is a copy of an electronic letter sent to Glen Morgan concerning two complaints 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 you about the importance of including detailed descriptions for all expenditures disclosed on C-4 reports, the timely disclosure of all contribution and expenditure activities related to your Surplus Funds Account, and to review all expenditures of surplus funds to ensure they are permissible. PDC staff expects in the future that you will include detailed descriptions for all expenditures, timely disclosure Surplus Funds Account activities, and review surplus funds expenditures to ensure they are permissible 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 e-mail 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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January 15, 2020

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

Subject: Complaints regarding Mia Gregerson, PDC Cases 59019 & 59569

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaints you filed on October 21, 2019 and October 31, 2019. The complaints alleged that Mia Gregerson, a Representative in Legislative District 33 may have violated: (1) RCW 42.17A.240 for failure to timely and accurately file Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing expenditures made to political consultant, John Wyble, or WinPower Strategies; (2) RCW 42.17A.430 for misuse of surplus funds; (3) RCW 42.17A.490 for improper transfer of funds received for a 2011 City of SeaTac campaign to a 2014 State Representative campaign; (4) RCW 42.17A.235, .240 & WAC 390-16-037 for failure to timely and accurately describe expenditures on C-4 reports; and (5) RCW 42.17A.240 for failure to timely and accurately file C-4 reports disclosing surplus funds.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by Rep. Gregerson; the applicable PDC reports filed by Respondent; and queried the Respondent's data in the PDC contribution and expenditure database, to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found the following:

- Mia Su-Ling Gregerson is an incumbent Washington State Representative in Legislative District 33 after being appointed in 2013 and previously served in various positions with the City of SeaTac.
- Pursuant to RCW 42.17A.700, as a candidate and an elected official, Ms. Gregerson was required to submit a Personal Financial Affairs Statement (F-1 report) disclosing her sources of income or compensation, Washington real estate in which she had a financial interest, assets, investments, creditor information, business ownership, directorships and other required items. The F-1 report also discloses the same information for a spouse or registered domestic partner, if such exists.
- On January 9, 2015, Ms. Gregerson registered a Surplus Funds Account with the PDC. This account could be used for expenses related to Ms. Gregerson's elected office, donations to charitable organizations, transfers to a bona fide political committee or caucus, and other permissible uses authorized under RCW 42.17A.430.

Summary of PDC Case 59019

Allegation 1: RCW 42.17A.240 for failure to timely and accurately file C-4 reports, disclosing expenditures made to John Wyble or WinPower Strategies.

- John Wyble is a registered agent of WinPower Strategies which has been used by the Gregerson campaigns primarily for political advertisement, web design and campaign management services. A search of the Gregerson campaign expenditures for the last four elections shows more than \$50,000 paid to WinPower Strategies.
- The complaint alleged that during the past five years, Ms. Gregerson transferred ownership interest in real estate she owned to Mr. Wyble in exchange for campaign services. The complaint further alleged that these financial transactions were done to purposely conceal, or at least reduce, the cost of services provided by Mr. Wyble and his business to the Gregerson campaigns.
- In her response, Rep. Gregerson stated that John Wyble has served as her political consultant and has billed her campaigns for professional services and paid communications. She stated that Mr. Wyble is her significant other, that the two of them have lived together since 2014 and that the transfers of real estate were personal in nature rather than a business transaction.

Allegation 2: RCW 42.17A.430 for misuse of surplus funds.

- On April 13, 2017, the Mia Gregerson Surplus Funds Account submitted a C-4 disclosing a March 30, 2017 expenditure in the amount of \$800 to WinPower Strategies listing “hate free rally signs” as the description.
- On December 10, 2018, the Mia Gregerson Surplus Funds Account submitted a C-4 disclosing a November 20, 2018 expenditure in the amount of \$500 to Fighting for the Majority listing “fighting for the majority support” as the description.
- The complaint alleged that these expenditures were not permissible uses of surplus funds as described in RCW 42.17A.430.
- In her response, Rep. Gregerson stated that, upon a closer review of the statute regarding permissible uses of surplus funds, she realized that the March 30, 2017 expenditure to WinPower should have been made using personal funds and that she is making a reimbursement.
- In response to the November 20, 2018 expenditure to Fighting for the Majority, she stated that she believes this expenditure is permissible under RCW 42.17A.430.

Allegation 3: RCW 42.17A.490 for improper transfer of funds received for a 2011 City of SeaTac campaign to a 2014 State Representative campaign.

- RCW 42.17A.490 describes the prohibition on the use of campaign contributions for a different office unless written permission is obtained from the donor of the original contribution to transfer the funds. Once permission is granted from a donor, the funds can be transferred.
- The complaint alleged that the transfer of funds from the 2011 City of SeaTac campaign to the 2017 State Legislature campaign were done illegally.
- Although these transfers were likely done outside of the five-year statute of limitations for any applicable enforcement action, Rep. Gregerson submitted a response confirming that permission was sought and provided by all applicable donors to the 2011 campaign prior to transferring the funds to the 2014 campaign.

Allegation 4: RCW 42.17A.235, .240 & WAC 390-16-037 for failure to timely and accurately describe expenditures on C-4 reports.

- On August 4, 2016, the 2016 People for Mia State Representative campaign submitted an amended C-4 disclosing an April 20, 2016 expenditure in the amount of \$2,725 to WinPower Strategies listing “purchased yard signs and stakes from WinPower Strategies” as the description.
- On July 26, 2016, the 2016 campaign submitted an amended C-4 disclosing a June 23, 2016 expenditure in the amount of \$5,874 to WinPower Strategies listing “walkpiece” as the description.
- On October 18, 2016, the 2016 campaign submitted a C-4 disclosing an October 5, 2016 expenditure in the amount of \$2,348.63 to Capital City Press listing “postage fee for mailer” as the description.
- The complaint alleged that the descriptions for each of these expenditures were insufficient.
- In her response, Rep. Gregerson stated the April 20, 2016 expenditure to WinPower was for the cost of 450 signs. She stated that the June 23, 2016 WinPower expenditure was for the cost of 13,000 total pieces, 2,000 of which were walkpieces and the rest was for a mail piece. Finally, she stated that the cost disclosed on October 5, 2016 to Capital City Press included postage and mailing services for 11,180 pieces.

Summary of PDC Case 59569

Allegation 5: RCW 42.17A.240 for failure to timely and accurately file C-4 reports disclosing surplus funds.

- On January 3, 2019, the 2018 People for Mia State Representative campaign submitted a C-4 disclosing a December 7, 2018 transfer of funds to the Gregerson Surplus Funds Account in the amount of \$10,000.
- The complaint alleged that the Surplus Funds Account failed to disclose the receipt of these funds.
- On November 13, 2019, the Surplus Funds Account submitted a C-4 disclosing that the \$10,000 was deposited into the Surplus Funds Account on December 7, 2018 and disclosed a December 10, 2018 expenditure in the same amount to HDCC (House Democratic Campaign Committee). HDCC reported receipt of the \$10,000 on December 15, 2018.
- The complaint included an additional allegation of either misuse of surplus funds or concealment. No evidence was found to prove these allegations.

The two complaints included six separate allegations in total with some overlapping evidence provided between them. During staff’s review, evidence was found to substantiate two of the allegations in whole and one in part. Rep. Gregerson’s response confirmed that she believed she had improperly used surplus funds in one instance in March 2017 as described in Allegation 2 and she suggested an appropriate remedy. The three expenditure descriptions included in Allegation 4 required edits after the complaint was received, and the receipt of the \$10,000 transfer to the Gregerson Surplus Funds Account was disclosed late as described in Allegation 5.

Rep. Gregerson has been a candidate and elected or appointed official since 2007. She promptly responded to the complaints, submitted amendments and provided details regarding missing or

otherwise deficient information. It appears that the errors made related to her Surplus Funds Account and the insufficient descriptions provided in her 2016 campaign, were not done to mislead the public or prevent transparency. Rep. Gregerson has not been found in violation of RCW 42.17A within the past five years.

Based on our findings staff has determined that, in this instance, failure to include accurate descriptions for three expenditures in a 2016 campaign, failure to timely file receipt of a transfer into the Gregerson Surplus Funds Account, and a misuse of surplus funds that required reimbursement to correct, does not amount to a finding of a violation that warrants further investigation.

PDC staff is reminding Rep. Gregerson about the importance of including detailed descriptions for all expenditures disclosed on C-4 reports, the timely disclosure of all contribution and expenditure activities related to the Surplus Funds Account, and to review all expenditures of surplus funds to ensure they are permissible 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 Lavallee
Executive Director

WARNING/SOU

Peter Lavallee
Executive Director

cc: Representative Mia Gregerson