



**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: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

December 18, 2019

Delivered electronically to Philip Lloyd, Treasurer for Keep Washington Rolling at
“phil@seattlecfo.com”

Subject: Complaint filed by Glen Morgan, PDC Case 59150

Dear Mr. Lloyd:

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.

However, pursuant to WAC 390-37-060(1)(d), this serves as a formal written warning concerning Keep Washington Rolling’s failure to comply with the filing requirements noted in the enclosed letter sent to Mr. Morgan. Staff expects the committee to include complete sponsor identification, specifically the top five contributors required by statute, on all political advertisement it sponsors in future years. The Commission will consider this formal written warning in deciding on further Commission action if there are future violations of PDC laws or 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 pdc@pdc.wa.gov.

Sincerely,

/s _____
Jennifer Hansen
Compliance Officer

Endorsed by,

/s _____
Peter Lavallee
Executive Director



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December 18, 2019

Delivered electronically to Glen Morgan at “glen@wethegoverned.com”

Subject: Complaint regarding Keep Washington Rolling, PDC Case 59150

Dear Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 24, 2019 and the four supplemental complaints received shortly after. The complaints alleged that Keep Washington Rolling, a political committee opposing a statewide ballot measure in the November 5, 2019 general election, may have violated: (1) RCW 42.17A.320 for failure to disclose top five donors on political advertisement sponsored by the Committee; and (2) RCW 42.17A.235, RCW 42.17A.240 & WAC 390-16-037 for failure to timely and accurately describe expenditures on Summary Full Campaign Contribution and Expenditure reports (C-4 reports) for election year 2019.

PDC staff reviewed the allegations; the applicable statutes, rules, and reporting requirements; the response provided by Philip Lloyd, Treasurer for Keep Washington Rolling; 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:

- On February 14, 2019, Keep Washington Rolling (“Committee”) filed a Committee Registration (C-1pc report) registering under the “Full Reporting” option, listing Kelly Evans as Manager/Chair and Philip Lloyd as Secretary/Treasurer, and identifying opposition to statewide ballot measure Initiative 976.
- RCW 42.17A.320 requires that, unless otherwise exempt, all written political advertisement shall include the sponsor’s name and address. In addition, if the sponsor is a political committee, the ad must also include the statement “Top Five Contributors,” followed by the names of the largest contributors to the committee, and, if necessary, the statement “Top Three Donors to PAC Contributors” followed by the names of non-PAC donors.
- The original and supplemental complaints included copies of four distinct mailers and a county specific advertisement that was available for electronic download all opposing I-976, which the complaint alleged did not contain the required sponsor identification language required by RCW 42.17A.320 and that the persons responsible for funding the ads were unknown to the public. The ads were paid for and presented to the public in the month leading up to the November 5, 2019 general election.
- In his response, Mr. Lloyd stated that the exclusion of the top five contributions in the sponsor identification was unintentional and apologized for the omission. He stated that

mail vendor, AMS Communications, did not adequately review the statutory requirement for sponsor id and the lack of the top five was missed when the ads were reviewed by campaign staff. Upon receipt of the complaints, the campaign staff was notified to ensure proper sponsor id would be included on future mailings.

- During its review, PDC staff found that Keep Washington Rolling disclosed expenditures to AMS Communications totaling \$419,050 which was approximately eight percent of the committee's total expenditures of \$5,186, 231.19 during the 2019 campaign.
- In response to the second allegation, Mr. Lloyd stated that WAC 390-16-037 is unclear about whether actual quantities need to be reported since the committee had already complied with section (1) by identifying its opposition to I-976 on the C-1pc and that section (2) does not apply since expenditures were not made to a candidate or political committee. He further stated that appropriate expenditure detail, including media buys and quantities of mail pieces, were included on original C-4 reports or were added to amended C-4 reports submitted after receipt of the complaints.

It appears that the omission of sponsor identification, including the top five contributors, on at least five separate pieces of political advertisement sponsored by Keep Washington Rolling, was unintentional and not purposely omitted to mislead the public. The identity of the top five contributors was available to the public on the committee's Monetary Contribution reports (C-3 reports) submitted prior to the advertisements being presented to the public. In addition, the committee has included appropriate expenditure details on C-4 reports.

Although Keep Washington Rolling has no previous violations of RCW 42.17A, the committee has been in existence for several campaign cycles, currently employs a professional treasurer and is aware of the sponsor identification requirements for political advertisement it sponsors.

Based on our findings staff has determined that, in this instance, failure to include the top five contributors on these advertisements does not amount to a finding of a violation that warrants further investigation.

Pursuant to WAC 390-37-060(1)(d), however, Keep Washington Rolling will receive a formal written warning concerning failure to include complete sponsor identification, specifically the top five contributors required by statute, on political advertisement it sponsored. The formal written warning will include staff's expectation that the committee includes complete sponsor identification on all political advertisement it sponsors in the future. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or 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 pdc@pdc.wa.gov.

Sincerely,

/s

Jennifer Hansen
Compliance Officer

Endorsed by,

/s

Peter Lavallee
Executive Director

cc: Keep Washington Rolling