



**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

December 19, 2019

Delivered electronically to "juanitataurman@whca.org"

Subject: Complaint filed by Glen Morgan, PDC Case 59218

Dear Juanita Taurman, Accounts Manager, Washington Health Care Association

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 Glen Morgan, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

PDC staff is reminding the Washington Health Care Association PAC (PAC) about the importance of timely depositing contributions. Any political contributions received, even if combined with Association fees, must be reported and deposited into the PAC bank account as required in 42.17A.220.

In addition, PDC staff expects you to amend the Monetary Contribution (C-3) report filed November 5, 2018 as noted in the letter below to properly disclose the date the contributions were received, and, in the future, comply with all applicable PDC statutes, rules and reporting requirements for a continuing political committee.

If you have questions, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov

Sincerely,

/s_____

Alice Fiman
Compliance Officer

Endorsed by,

/s_____

Barbara Sandahl
Deputy Director
For Peter Lavallee
Executive Director



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December 19, 2019

Delivered electronically to glen@wethegoverned.com

Subject: Complaint regarding Washington Health Care Association PAC, PDC Case 59218

Dear Glen Morgan:

The Public Disclosure Commission (PDC) completed its review of the complaints you filed October 24, 2019. Your complaint alleged the Washington Health Care Association PAC (PAC), a Continuing Political Committee associated with the Washington Health Care Association (Association), may have violated RCW 42.17A.420 for accepting contributions exceeding \$5,000 from a single source within twenty-one days of the November 6, 2018 general election.

To determine whether the record supports a finding of one or more violations, PDC staff reviewed the allegations, applicable PDC reports, the applicable statutes, rules, and reporting requirements, the attachments you provided and the response from Juanita Taurman, PAC treasurer. Based on staff's review, we found the following:

- Washington Health Care Association PAC (PAC) is a continuing political committee that has been filing Monetary Contribution reports (C-3 reports) and Campaign Contribution and Expenditure (C-4) report since at least 1996.
- The PAC's final C-4 report for the 2018 election year disclosed \$525,041.03 in total contributions, \$518,698.56 in total expenditures made with a \$6,342.47 cash-on-hand balance.
- The PAC participated in the 2018 primary and general elections and was required to file weekly C-3 reports for any bank deposit made during the previous seven days, and 21-Day and 7-Day Pre-Primary and Pre-General Election (C-4) reports.
- As noted in your complaint, the PAC filed a C-3 report on November 5, 2018 disclosing the following monetary contributions had been received on November 1, 2018:
 - Avalon Health Care Management for \$6,650
 - Empres Healthcare Management for \$12,650, and
 - Regency Pacific Inc. for \$7,333.37.
- RCW 42.17A.420 prohibits a political committee from accepting contributions exceeding \$5,000 dollars in the aggregate from one source within twenty-one days of a general election, unless the political committee is only supporting or opposing a ballot proposition(s).

- In the response, Taurman stated the three contributions were received well before the election and the limitations referenced in the complaint, as noted below, stating it has been the PAC's "practice to report funds received by Washington Health Care Association voluntary political contribution invoicing when the money is transferred to the Washington Health Care Association (PAC)," and not at the time the contributions were actually received.
- Taurman stated the Association's practice for handling contributions has been in place since telephone discussions with PDC staff several years ago which allowed for lump sum transfers from the Association to the PAC to be deposited "after the voluntary political action contributions" had been received from Association members. She stated the three contributions were received well before the election, and the PAC "would be happy to amend the C3 report to reflect the actual deposit dates."
- Concerning the three contributions, Taurman stated: (1) the \$7,333.37 contribution from Regency Pacific was received by the Association on October 4, 2018, and the transfer of funds into the PAC account did not occur until November 1, 2018; (2) the \$12,650 contribution from Empres Healthcare Management was received by the Association on October 9, 2018, and the transfer of funds into the PAC account did not occur until November 1, 2018; and (3) the \$6,650 contribution from Avalon Healthcare Management was received by the Association on October 11, 2018, and the transfer into the PAC account did not occur until November 1, 2018.
- The three contributions listed above were received by the Association between October 4 and 11, 2018, but not deposited or transferred into the PAC bank account until November 1, 2018. The PAC is affiliated with the Association, as well as being administered and controlled by the Association, so the contributions were technically received prior to the \$5,000 contribution limitation period that is within 21 days of a general election, and for the 2018 general election began on October 16, 2018.
- RCW 42.17A.220 requires political committees to deposit all monetary contributions within five business days of receipt. Based on the dates the Associations received the contributions, the PAC failed to timely deposit the three contributions within five business days. Taurman has agreed to amend the C-3 report to reflect the date the contribution was received by the Association, and not the date the PAC received the funds.

Based on these findings and: (1) the PAC has been filing with the PDC as a PAC since at least 1996 and has no prior PDC violations; (2) the Association timely received the \$26,633.37 in contributions from the three entities/members prior to the \$5,000 contribution limitation was in effect; and (3) the PAC appeared to have timely filed C-3 and C-4 reports for the 2019 election cycle, staff has determined that, in this instance, failing to make deposits within five business days of receipt does not amount to a violation that warrants further investigation.

PDC staff is reminding the Washington Health Care Association PAC any political contributions received, even if combined with Association fees, must be reported and deposited into the PAC as required in 42.17A.220.

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, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

/s_____

Alice Fiman
Compliance Officer

Endorsed by,

/s_____

Barbara Sandahl
Deputy Director
For Peter Lavalley
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