

Complaint Description

[Glen Morgan](#) (Mon, 30 Dec 2019 at 12:02 PM)

To whom it may concern,

It has come to my attention, once again, that the 34th Legislative District Democratic Organization has continued to violate Washington State's campaign finance laws with impunity.

1) Concealment of campaign contributions to politicians from the public (Violation of RCW 42.17A.235, .240)

On at least five occasions in 2019, the 34th Leg District Democrats have willfully concealed campaign finance contributions to politicians and failed to report these to the PDC. Please be aware, in light of the fact that this committee has been able to historically violate the state's campaign finance laws with impunity for many years now (See **PDC complaint #25975**), it appears their current strategy is just to ignore the law in its entirety.

For example, on at least 5 occasions, this political committee has made contributions to the following candidates (I have also attached reports documenting these contributions for reference as well):

A. On 9/11/19, Burien City Council candidate Sophia Aragon reported receiving \$500 from this PAC (See Aragon report **PDC #100932561** attached). The 34th LD Dems concealed this contribution from the public.

B. On 10/7/19 Burien City Council candidate Sophia Aragon also reported receiving \$250 in kind contribution from this PAC (See Aragon C4 report **PDC #100949936**) for ad space. Please note this was an amended report filed a few weeks ago. The 34th LD Dems have concealed this in-kind contribution as well.

C. On 10/20/19 Seattle City Council candidate Lisa Herbold reported receiving \$200 in kind contribution from this PAC (See Herbold C4 report **PDC #100943197**) for ad space. Please note this was also an amended report. The 34th LD Dems have concealed this in-kind contribution.

D. On 9/26/19, Burien City Council candidate Peter Schilling reported receiving \$500 for this PAC (See Schilling report **PDC #100939046** attached). The 34th LD Dems concealed this contribution from the public.

E. On 10/7/19 Burien City Council candidate Peter Schilling reported receiving \$200 in kind contribution from this PAC (See Schilling report **PDC #100946624**). The 34th LD Dems have concealed this in-kind contribution from the public as well (please note the discrepancy of the reported value of this in-kind contribution for "ad space" between the Schilling campaign and the

Aragon campaign – there is a \$50 discrepancy in reported value for essentially the same thing. Also, note that the Schilling campaign inaccurately reports the total of the contributions received from the 34th LD PAC at this time at “\$200” when in fact is \$700 based on his own reporting).

While these candidates accidentally were honest in their reporting and didn’t compare notes with the 34th LD Dem PAC to conceal these contributions, it appears likely there were other contributions to other candidates during this time which remain unreported by both parties at this point.

Supposedly, the Public Disclosure Commission was established, in part, to enforce the state’s campaign finance laws (theoretically- at least if they are Republicans). While there are apparently no downsides any longer for Democrat PACs like this to continue to conceal their campaign finance contributions from the public, it might be worth at least asking them nicely to either compare notes and get their mutual concealment story straight with the candidates with whom they plan to conceal these contributions from the public, or to at least be a little more subtle about their violations in the future. It is certain the public will never actually know how many contributions this PAC has illegally attempted to conceal from the public, but it seems likely it would be in the PDC’s best interest to at least pretend to enforce the law in this case.

2) Total concealment of nearly all expenditures of this PAC from the public (Violation of RCW 42.17A.235, .240)

It appears that this PAC has realized that there are no downsides any longer in going almost entirely dark with their campaign expenditures, however there are expenditures which should have been reported and which have been concealed by this PAC for the entirety of the 2019 campaign season. Here are just a few examples:

A. No expenditures have been reported for legal expenses incurred by this PAC for their law firm Barnard, Iglitzin, & Lavitt LLP. These expenses should be reported on their C4s, but have been concealed from the public. Even if they are reported as in-kind they need to be reported, but they have, of course, chosen to conceal these expenses.

B. Numerous expenditures related to fundraising events have also been concealed from the public. It is impossible to quantify these total expenditures without reviewing the actual expenditures made by this PAC at their events. See attached examples from a June “Pan-American” fundraiser, which claimed \$100 entry fees, and photos from their newsletter that month contain photos including extensive preparation with food, open bar, and opening 18 year old Scotch bottles, none of these expenditures have been reported to the PDC.

Running a dark money, secret PAC which admits to raising \$30,000 in 2019, and claims to be sitting on a bank account cash hoard of approximately \$60,000 is not a small thing even in Washington State. With a documented history of violations and the PDC willing to ignore these

violations in the past, there is obviously no downside to breaking the law for this PAC. Perhaps this will become the new model for future violators (unless they are Republicans or Tim Eyman, of course).

The only way to actually figure out just how much has been concealed from the public by this PAC would be to have a complete review of all the bank statements from 2018-2019 and compare with the C4 reports provided to the PDC during this time period. The PDC should also request evidence (receipts, etc) of the expenditures which have occurred, but been willfully concealed from the public.

This is a well-funded dark money PAC with plenty of resources to pay competent and capable people to file these reports accurately. They have been around for decades and have extensive experience with the state's glorious campaign finance laws. They know the rules, and obviously while they don't believe those rules apply to them (and they might be onto something there), they can't pretend they didn't understand or know these rules. This PAC has been in active litigation and investigation on their historic and storied violations of the state's campaign finance laws. This effort to just ignore the law moving forward, while it makes sense from their strategic and risk management perspective, it might not be the best outcome if the PDC is to have any relevance in the future.

However, if this concealment strategy is now considered acceptable by the PDC moving forward, we could advertise this fact and reduce the paperwork for staff moving forward. In the end, it is up to you to decide if the state's campaign finance laws apply to this dark-money crew anymore, or if this behavior is okay, even if it is a clear and unambiguous violation of the law.

Let me know if you need any additional information.

Best Regards,

Glen Morgan

What impact does the alleged violation(s) have on the public?

The public has a right to know how local dark-money PACs spend their cash and to whom they send their cash. The public has a right to know (according to the law, if not enforced in fact) which politicians PACs like this fund. The public also has a right to know how PACs like this spend their money. Since all this information was concealed from the public and there was little attempt made to comply with the written law, the public also has a right to know if it ok to just keep violating the law like this so that other PACs can all sink to the lowest common denominator and the lawbreaking can at least be equally distributed to others.

List of attached evidence or contact information where evidence may be found.

5 PDC reports detailing unreported contributions to politicians who didn't get the memo to conceal it on their end (or they refused to get with the program).

2 Docs which help detail at least some unreported expenditures concealed from the public. These, of course are only the ones they bragged about in their newsletter and posted photos. The other unreported expenditures are probably better concealed than this.

List of potential witnesses with contact information to reach them.

All members of this committee should be interviewed as well as 2018's officers. Additionally, the people involved in planning the unreported activities who have 1st hand information about the concealed expenditures and unreported legal expenses. If there are additional concealed expenditures, there may be additional people in this organization working as the "bag man" to hand over the unreported contributions.

Complaint Certification:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.