

Complaint Description

[Glen Morgan](#) (Wed, 12 Feb 2020 at 11:04 PM)

To whom it may concern,

It has come to my attention (and I don't know how I missed this in the past) that Washington State Insurance Commissioner Mike Kriedler has violated Washington State's campaign finance laws (RCW 42.17A). The details are as follows:

1) Misuse of over \$17,000 in campaign surplus funds for personal benefit and use, mostly to fund personal meals and other expenses not appropriate for surplus funds (Violation of RCW 42.17A.430)

It appears that Kriedler, in a fairly shocking and brazen abuse of his campaign surplus funds account has squandered much if not most of the \$51,215.29 of surplus funds inappropriately and in violation of the Washington State Campaign Finance laws, specifically **RCW 42.17A.430**, which addresses the law in regards to disposal of surplus funds.

However, for the purpose of this complaint, I will only focus on Kriedler's lawbreaking within the recent five year statute of limitations time frame, which covers the last \$21,727.33 worth of surplus funds expended and squandered.

To Kriedler's credit, he did conduct two legal transactions during this time period. It is actually easier to point these out first because the vast majority of funds were spent illegally. One rare legal use of surplus funds, for example was the \$4,000 check to the Washington State Democrats dated 9/5/2016 (See **PDC Report #100724853** attached). Another legal transaction was the \$150 donation to the "Center for Children & Youth" dated 2/18/16 (See **PDC Report #100683897** attached). However, these legal transactions were rare. Most of the rest were not appropriate uses of surplus funds as allowed under **RCW 42.17A.430**. Here are some interesting specifics:

- \$500 sent to "Denny Heck for Congress" on 8/28/17 (see **PDC Report #100784712**). It is explicitly illegal to use campaign surplus funds for this purpose as clearly explained in **RCW 42.17A.430(8)**. See also **WAC 390-16-234 (3)**.
- \$2,839.64 spent apparently on a binge of drinking events and activities reported on 8/2018 (See **PDC Report # 100858023** attached) which were described as "Non-reimbursed public office expense" but clearly just various bar tabs from "River's Edge," "Well 80," and the "Water Street Café." While these sound like fun times, they are not appropriate or legal uses of surplus campaign funds under **RCW 42.17A.430**. The description is particularly amusing because calling these "public office expense" is at least a nod to **RCW 42.17A.430(7)** which allows for some "public office expenses" which can be reimbursed by surplus funds, but it is doubtful bar tabs were

envisioned by the legislators when this law was drafted (or by the citizens who voted for the original initiative in 1972).

- \$917.05 spent in three transactions to different people on 1/06/2020 for "Event Supplies: Reimbursement, Sub Vendors TBD" (See **PDC Report #100956995** attached). Whatever these mystery expenditures are, they are not legally allowed under **RCW 42.17A.430**
- \$325.00 reported on 3/21/19 to a "Darryl Coleman" for a "Team Sponsorship Reimbursement: State Agency Softball League." (See **PDC Report #100896960** attached) These surplus funds were given to Mr. Coleman, which is not a legal or appropriate use of surplus campaign funds.
- \$143.00 reported on 5/17/19 for "Meals: Hank's Capitol Hill, Washington DC" (See **PDC Report #100907757** attached). While **Kreidler clearly likes to eat out at fancy restaurants in Washington DC**, this is still not appropriate or legal for him to use surplus campaign funds to do so.
- \$600.67 reported on 1/8/19 for various food related items, mostly as payments to a "ANNALISA GELLERMANN" with various descriptions of "Event Food." (See **PDC Report #100883584** attached). Again, nebulous, undefined food related events which are not appropriate or legal uses of campaign surplus funds.
- \$625 for "Agency Team Sponsorship" on 3/12/18 (See **PDC Report #100824981** attached). Not a legal use of campaign surplus funds.
- Two different payments, one for \$75, and one for \$40 to "Nelson – Taplin – Goldwater" (see **PDC Report #100807126** attached). Please note, this is one of Kreidler's largest donors (See **PDC Report #100953942** (C-3 with \$1k contribution) and **PDC Report #100934850** (C3 with \$1k donation and another \$750 contribution from employee at same corporation) and **PDC Report #100880380** (C3 with a \$500 contribution from employee at same corporation), and **PDC Report #100799942** (C3 with a \$300 contribution from employee at same corporation), and **PDC Report #100800665** (C3 with \$750 contribution from partner of same corporation), and **PDC Report #100798415** (C3 with \$1,750 contributions from attorneys, partners, employees of same corporation), and note in 2016, this corporation, officers or employees gave Kreidler \$11,250 for his election campaign). This is not an appropriate use of surplus funds to reimburse your largest campaign contributors for meals.
- \$1,277.99 on 12/26/17 for three transactions to pay for a holiday party blow out for staff apparently (See **PDC Report #100807126** attached). Also not a legal use of surplus funds.
- \$61.18 on 10/30/17 payable to "Jennifer Kraft" for "Gifts for WZ2017." (See **PDC Report #100800013** attached) This sounds very cryptic and sorta cool, but it doesn't really matter. Whatever this mystery gift was, this is not a legal use of surplus campaign funds.
- Since just one cool secret, cryptic "Gift for WZ2017" wasn't enough, Kreidler used \$1,314.26 for multiple "Gifts for WZ2017" also payable to "Jennifer Kraft" on 9/2017 (see **PDC Report #100800011** attached).
- \$149.61 payable to Mike Kreidler for "softball team appreciation" on 8/28/17 (See **PDC Report #100784712** attached). Also not a legal use of surplus funds, whatever this was.
- \$655.00 for "registration fee for agency softball tam(sic)" on 4/02/17 (See **PDC Report #100760120** attached). Which I suppose explains the previous appreciation expense, but is still not a legal use of surplus funds.

Most frequently, it appears that Kreidler viewed his surplus campaign funds as a slush fund to support his dining habits, which make up the bulk of the transactions reported to the PDC on these Surplus Fund C4s. It appears that Typical examples were as follows (and these are just random samples):

- \$50.11 payable to Mike Kreidler on 7/2/18 for "Meal: Din Tai Fung" (see **PDC Report #100851877** attached)
- \$148.70 payable to Mike Kreidler on 5/30/18 for "Meals: Sonoma DC (Washington DC)" (See **PDC Report #100836260** attached)
- \$70.93 payable to Mike Kreidler on 2/5/18 for "Meals: Commissioner Meeting (Orlando, FL)" (See **PDC Report #100820643** attached)
- \$223.92 payable to Mike Kreidler on 1/15/18 for "Staff lunch meeting Seattle) (See **PDC Report #100811480** attached). Even IF he included some staff with him on his dining adventures, that doesn't make it a legal use of campaign surplus funds.
- \$73.51 payable to Mike Kreidler on 11/10/17 for "reimburse for meal in KL" (see **PDC Report #100803435** attached). Whatever this was.
- Two "reimburse for office related meals" to Mike Kreidler for \$42.93 and \$19.95 on 11/21/16 (See **PDC Report #100736360** attached). It isn't clear how these were "office related" or even where they were (Shari's for breakfast, and River's Edge for Lunch?). Regardless, the surplus funds account is not legally intended to cover Kreidler's meals for life.

Presumably, many of the C4s which were filed with "Expenses less than \$50" reported also were unitemized expenditures for Kreidler's less expensive dining habits (See **PDC Report #100843254** as just one example).

Clearly, Kreidler has been abusing his campaign surplus account and nobody noticed (including me) until now, but better later than never to clean up the mess. I'm sure like everything else, this just started with the little things, and now it has become a lifestyle choice with the presumption there are no consequences for breaking the law.

That might be a safe assumption on Kreidler's part in light of the recent trend at the PDC to ignore violations like this, if the violator is high profile enough, but it is still worth exposing law-breakers even if the law won't be enforced.

Regardless, I encourage staff to contact Kreidler's campaign and see what his attorneys cook up as excuses for this illegal spending spree. I enjoy reading their responses, and as long as there are politicians like Kreidler in office, the PDC at least has job security.

Feel free to contact me if I have not provided adequate examples in this complaint. I've attached most (not all) of the obvious surplus funds reports with violations. There are more to be found, but this seemed like a good start.

Best Regards,

Glen Morgan

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

The public has a right to know if the state insurance commissioner is using his surplus funds account as a slush fund to pay for his dining habits around the nation, pay for parties, give illegal contributions to other politicians, or just squander these funds on mystery gifts.

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

All C4s referenced in the complaint are attached as well as a few others. The C3s I referenced when referring to the one mega corporate donor were referenced by number in the complaint, but not attached.

List of potential witnesses with contact information to reach them.

Kreider himself, the staff who seem to get these funds distributed back to them as part of the illegal distribution of the surplus funds, the treasurer (just what the heck was he thinking?), and anyone else who wants to admit they were involved.

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.