



**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](mailto:pdc@pdc.wa.gov) • Website: [www.pdc.wa.gov](http://www.pdc.wa.gov)**

January 11, 2021

Sent Electronically to Stephen Kaufman and Leilani Beaver, legal counsel for Democratic Association of Secretary of States

Subject: Democratic Association of Secretary of States Complaint Return Letter with Warning PDC Case 78774

Mr. Kaufman and Ms. Beaver:

Below is a copy of a letter sent electronically to Glen Morgan concerning the complaint he filed with the Public Disclosure Commission (PDC) against the Democratic Association of Secretary of States. As noted below in the letter sent to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in these matters.

However, PDC staff is reminding the Democratic Association of Secretary of States about the importance of political committee campaign finance reporting and disclosure, and to comply with the political committee reporting requirements in the future, including the timely and accurate filing of political committee contribution and expenditure activities, particularly the filing of Independent Expenditure or Electioneering Communications reports (C-6 report).

Thank you both for your cooperation in resolving this matter. Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at [kurt.young@pdc.wa.gov](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/ \_\_\_\_\_  
Kurt Young, Compliance Officer

s/ \_\_\_\_\_  
BG Sandahl, Deputy Director for  
Peter Lavalley, Executive Director



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January 11, 2021

Sent electronically to Glen Morgan

Subject: Complaint filed against Democratic Association of Secretary of States, PDC Case 78774

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 14, 2020. Your complaint alleged that the Democratic Association of Secretary of States (DASS) registered as a political with the PDC, may have violated RCW 42.17A. by failing to timely register and timely and accurately file reports disclosing contribution and expenditure activities; by failing to timely file Independent Expenditure/Electioneering Communications Reports (C-6 reports); and by accepting earmarked contributions and contributions from Foreign Nationals.

PDC staff reviewed the allegations listed in the complaint; the statutes, rules and reporting requirements for a political committee; the Committee Registration, Monetary Contributions reports (C-3 report) and Summary Full Campaign Contributions and Expenditure reports (C-4 reports) and the Independent Expenditure Reports (C-6 reports) filed by DASS; the PDC database for contribution information for DASS; the 527 reports filed with Internal Revenue Service (IRS) by DASS; and the response from Stephen J. Kaufman, and communication with Leilani Beaver, attorneys with the Kaufman Legal Group, a California law firm and legal counsel for DASS. Based on staff's review, we found the following:

- On September 1, 2020, DASS filed a Committee Registration as a first-time continuing political committee with the PDC, selecting the Full Reporting Option and listing Alex Padilla as the Chairperson, and Nellie Gorbea as Treasurer.
- Mr. Kaufman stated that DASS is a national 527 political organization registered with the Internal Revenue Service (IRS), "whose purpose is to support the election of Democratic secretaries of state across the country. The organization was formed in 2008 under IRS laws, and regularly files disclosure reports with the IRS and with state filing agencies -- as dictated by its activities."
- On October 13, 2020, DASS timely filed its initial C-4 report which was the 21-Day PreGeneral Election C-4 report covering the period September 1 through October 12, 2020, disclosing an initial balance of \$1,103,437.63, with no monetary contributions received during the period. No C-3 report was initially filed by DASS for the \$1,103,437.63 beginning balance.

- The C-4 report disclosed \$85,650 in expenditures made during the reporting period for two expenditures in support of Gael Tarleton, a 2020 Democratic candidate for Washington State Secretary of State's Office. The two expenditures included a \$2,000 monetary contribution made on September 4, 2020 to the Gael Tarleton Campaign, and an \$83,650 expenditure to SKDKnickerBocker on October 8, 2020, for independent expenditure digital advertisements made in support of Gael Tarleton.
- Mr. Kaufman stated that when DASS initially filed its 21-Day Pre-General C-4 report, the report only disclosed DASS's activities in support of Washington State candidates. He stated that *"in the good faith belief that this is what the law required. DASS' total expenditures to support Secretary of State candidate Gael Tarleton in the amount of \$204,150 represent only 16.1% of DASS' over-all expenditures to date."*
- Mr. Kaufman stated the majority of DASS' funding is from individuals making small contributions, and that for January 1 through August 31, 2020 (September 1, 2020 is the date the Registration was filed) DASS *"received 16,692 contributions totaling \$629,161.79 (the average contribution being \$38) from individuals across the country, representing 58% of the money raised by DASS this year. Of those, 1,321 contributions totaling \$28,592.57 were from Washington residents."*
- Mr. Kaufman stated that *"DASS has now filed reports with the PDC disclosing all contributions of \$25 or more per person received by the organization since it became a committee, including those that were not used for any activity in Washington."* In 2018, DASS *"maintained a separate bank account for individual contributions in order to comply with campaign finance laws in states"* and noted that many states have restrictions or complete prohibitions concerning corporate or labor contributions being made to candidates.
- Mr. Kaufman stated that \$118,500 of the total \$202,150 in independent expenditures made by DASS in support of Gael Tarleton *"originated from small individual contributions paid from this separate bank account."*
- Staff's review found that on October 29, 2020, DASS filed a C-3 report disclosing the \$1,103,437.63 beginning balance was from DASS. DASS also filed several multi-page C-3 reports disclosing between September 1 through October 20, 2020, the receipt of 3,079 separate contributions, mostly from individuals, totaling \$389,546.70 (included several large vendor refunds). DASS also disclosed the following contributions: (1) a \$100,000 contribution from Laborer's Political League Education Fund; (2) a \$50,000 contributions from IBEW PAC Education Fund; (3) a \$25,000 contribution from Comcast Corporation; (4) a \$25,000 contribution from DRIVE Committee; and (5) a \$25,000 contribution from the NEA Fund for Children and Public Education.
- On October 27, 2020, DASS filed an amended 21-Day Pre-General Election C-4 report and the 7-Day Pre-General Election disclosing DASS contribution and expenditure activities undertaken from all over the United States, rather than just expenditures in support of Gael Tarleton that were disclosed on the earlier version of the report.
- As noted by Mr. Kaufman, the expenditures made in support of Gael Tarleton only represented 16.1 percent of all expenditures made during the 2020 election cycle. Staff's review found the remaining DASS expenditures included: (1) \$317,400 were made for radio ads in support of the Democratic candidate for Missouri Secretary of State; (2) \$120,000 in monetary contributions were made to Shamia Fagan, a candidate for Oregon Secretary of State; (3) \$93,750 were made for digital ads in support of the Democratic candidate for

Montana Secretary of State; and (4) \$80,750 were made for digital ads in support of the Democratic candidate for West Virginia Secretary of State.

- During the 2020 election cycle, DASS filed four C-6 reports checking box #2 for an independent expenditure advertisement made within 21 days of an election, all disclosing \$204,150 in expenditures made by DASS in support of Gael Tarleton. Two of the C-6 reports were timely filed or filed early, however the first two C-6 reports were filed 10 days late, and between three to five days late respectively as detailed below.
- On October 25, 2020, DASS filed a C-6 report disclosing an \$83,650 expenditure made to SKDNICKERBOCKER on October 8, 2020 for digital ads presented to the public on October 14, 2020, in support of Gael Tarleton. DASS was required to file the C-6 report within 24 hours of the advertisements being presented to the public or no later than October 15, 2020, and the C-6 report was filed 10 days late.
- On October 26, 2020, DASS filed a C-6 disclosing a total of \$118,500 for three expenditures in support of Gael Tarleton, that included: (1) a \$74,000 expenditure made to SKDNICKERBOCKER on October 19, 2020 for digital ads presented to the public on October 20, 2020; and (2) two expenditures totaling \$44,500 made to Sadler Strategic Media, Inc. for radio ads presented to the public on October 22, 2020. DASS was required to file the C-6 report within 24 hours of the advertisements being presented to the public or no later than October 21 and October 23, 2020 respectively, and the C-6 reports were filed between three to five days late.
- DASS timely filed: (1) a C-6 report on October 31, 2020, disclosing a \$44,669 expenditure made to Solidarity Strategies on October 31, 2020 for text messages sent to the public on November 1 and November 3, 2020, in support of Gael Tarleton; (2) a C-6 report on November 3, 2020, disclosing a \$17,867 expenditure made to Solidarity Strategies on November 3, 2020 for text messages sent to the public on November 3, 2020, in support of Gael Tarleton.
- Mr. Kaufman stated DASS filed its initial C-6 report after being informed by PDC staff of the complaint. He stated that DASS filed the C-6 reports providing the public with the independent expenditure information in support of Gael Tarleton prior to the November 3, 2020 general election.
- Concerning the remaining allegations, Mr. Kaufman stated that once again as soon as PDC staff notified DASS about the complaint, they filed amended C-4 reports providing the required expenditure details for the independent expenditures made including payments to committee sub-vendors prior to the general election. He stated DASS has internal controls and procedures in place “to ensure that no foreign money” is received and added that when DASS processes contributions it requires contributors “*to certify that they are U.S. citizens.*”
- Mr. Kaufman stated DASS solicits and accepts contributions from all over the United States and supports candidates all around the country, but added that the contributions solicited and received by DASS “*are not earmarked for particular uses, and the organization does not solicit funds to support particular candidates.*”
- On January 6, 2021, PDC staff conducted an Initial Hearing (Case Review Status) and opened a formal investigation into your allegations.

- On January 11, 2021, PDC staff processed a Statement of Understanding (SOU) completed by DASS acknowledging two violations of RCW 42.17A.260 for failing to timely file C-6 reports during the 2020 election cycle, and paying a \$300 civil penalty in accordance with the Penalty Schedule adopted by the Commission for Brief Enforcement Hearings set forth in WAC 390-37-143.

DASS completed the SOU, acknowledged two PDC violations and paid a \$300 civil penalty to resolve the allegations concerning the two late filed C-6 reports. Based on these findings staff has determined that, in this instance, the facts do not warrant further investigation or any additional enforcement action.

However, PDC staff is reminding the Democratic Association of Secretary of States about the importance of political committee campaign finance reporting and disclosure, and to comply with the political committee reporting requirements in the future, including the timely and accurate filing of political committee contribution and expenditure activities, particularly the filing of Independent Expenditure or Electioneering Communications reports (C-6 report).

Based on this information, the PDC has dismissed the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877601-2828, or by e-mail at [kurt.young@pdc.wa.gov](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/ \_\_\_\_\_  
Kurt Young, Compliance Officer

s/ \_\_\_\_\_  
BG Sandahl, Deputy Director for  
Peter Lavalley, Executive Director

cc: Stephen Kaufman and Leilani Beaver, legal counsel for DASS

