



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](mailto:pdcc@pdcc.wa.gov) Website: [www.pdca.wa.gov](http://www.pdca.wa.gov)

March 25, 2020

Sent electronically to Hayden Williams

Subject: Complaint filed against Washington Society of Certified Public Accountants PAC, PDC Case 34207

Mr. Williams:

The Public Disclosure Commission (PDC) has completed its review of the complaint filed by Glen Morgan against the Washington Society of Certified Public Accountants PAC.

As noted in our prior correspondences, the allegations for the late filed 2016 C-3 and C-4 reports will be addressed by the Commission at the March 26, 2020 enforcement hearing. Concerning the remaining allegations against the Washington Society of Certified Public Accountants PAC, PDC staff found no evidence of a material violation that would require conducting a more formal investigation into your complaints or pursuing enforcement action in this instance.

However, staff is reminding the Washington Society of Certified Public Accountants PAC Committee to timely deposit all campaign contributions received from its members within five business days of receipt in accordance with RCW 42.17A.220, and to complete a separate C-3 report for each deposit.

Based on this information, PDC staff is dismissing the remaining allegations listed in the complaint in accordance with RCW 42.17A.755(1). If you have questions, you may contact me at (360) 664-8854 or by e-mail at [kurt.young@pdcc.wa.gov](mailto:kurt.young@pdcc.wa.gov).

Sincerely,

Endorsed by:

s/\_\_\_\_\_

s/\_\_\_\_\_

Kurt Young, PDC Compliance Officer

BG Sandahl, Deputy Director

For Peter Lavalley, Executive Director



**Public Disclosure Commission**  
Shining Light on Washington Politics Since 1972



## State of Washington

### PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 [Symbol] Olympia, Washington 98504-0908

(360) 753-1111 [Symbol] FAX (360) 753-1112

**Toll Free 1-877-601-2828** [Symbol] **E-mail: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov)** [Symbol] **Website: [www.pdcca.wa.gov](http://www.pdcca.wa.gov)**

March 25, 2020

Sent electronically to Glen Morgan

Subject: Washington Society of Certified Public

Accountants PAC, PDC Case 34207

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on April 11, 2018 against the Washington Society of Certified Public Accountants PAC. The complaint alleged numerous violations of RCW 42.17A.235 and .240 for failing to timely and accurately file Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports), and several other allegations as detailed below.

PDC staff reviewed the allegations listed in the complaint you filed, the statutes, rules and reporting requirements for a political committee, queried the PDC contribution and expenditure database for the Washington Society of Certified Public Accountants PAC (WA CPA PAC), reviewed the Committee Registrations (C-1pc reports), C-3 and C-4 reports filed by the CPA PAC for calendar years 2015 through 2017, and the responses to the complaint provided by Hayden Williams, Treasurer for the CPA PAC. Based on staff's review, we found the following:

- On April 4, 2016, the WA CPA PAC (Committee) filed an amended Committee Registration (C-1pc report) with the PDC as a continuing committee, selecting the Full Reporting Option and listing Kimberly Scott as Committee Manager, Trina Doty as Committee Treasurer, and Carmen Aguiar, Marcia Benson, and Richard Jones as Committee Members.
- On January 9, 2017, the Committee filed an amended C-1pc report with the PDC as a continuing committee under the Full Reporting Option and listing Ms. Scott as Committee Manager and Ms. Aguiar as a Committee member. The amended C-1pc report added Hayden Williams as the new Committee Treasurer, and Benjamin Anderson and Laurie Anderson as new Committee Members.
- On November 14, 2018, the PDC opened a formal investigation into your allegations concerning the Committee and held an Initial Hearing (Case Status Review Hearing) pursuant to RCW 42.17A.755 and WACs 390-37-060 and 390-37-071.

- For calendar year 2015, the Committee disclosed receiving \$123,833 in total contributions received that included \$85,834 in committee funds carried forward from 2014, and \$7,938 in total expenditures made.
- The Committee filed C-3 and C-4 reports throughout 2015 and some of those C-3 and C-4 reports were timely including the 21-Day Pre-General Election C-4 report, with late reported contribution and expenditure activities that were disclosed between eight and 60 days late.
- The \$7,938 in total expenditures made by the Committee in 2015 included five expenditures totaling \$4,300 for contributions made to the four caucus political committees (\$950 each), and a \$500 contribution to The Leadership Council. All five of these contributions were made by the Committee on November 5, 2015, two days after the November 3, 2015 General Election, and were disclosed on the 2015 Post-General Election. The remaining Committee expenditures in 2015 included \$3,638 made to the Washington Society of Certified Public Accountants for the administrative costs of running the PAC.
- The \$123,833 in monetary contributions received by the Committee in 2015 were from Washington Society of Certified Public Accountant members, including two CPA firms totaling \$19,000, with the remaining contributions received from individual CPA members that made a one-time contribution or aggregate contributions totaling between \$100 to \$500.
- For calendar year 2017, the Committee disclosed receiving \$91,052 in total contributions received that included \$69,980 in committee funds carried forward from 2016, and \$15,847 in total expenditures made. The Committee timely filed monthly C-3 and C-4 reports covering the period January 1 through May 31, 2017, the Post-Primary Election C-4 report, the 21-Day and 7-Day Pre-General Election C-4 reports, and the Post-General Election C-4 report.
- The Committee made 13 monetary contributions totaling \$12,100 to 2017 Legislative and local candidates, four caucus political committees, and one political committee. Of the \$12,100 in total contributions made in 2017, \$11,000 of the contributions were timely disclosed on the 21-Day Pre-General Election C-4 report, and two \$300 contributions were timely disclosed on the 2017 January C-4 report. A \$500 contribution was made to a city council candidate that was disclosed seven days late, but 14 days prior to the 2017 Primary Election. The remaining 2017 expenditures included \$6,406 made to the Washington Society of Certified Public Accountants for the administrative costs of running the PAC and a \$2,880 Correction for a Miscellaneous Receipts – “Refund from vendor.”
- The Committee received \$21,072 in total monetary contributions during calendar year 2017, all from Washington Society of Certified Public Accountant members. Those contributions received included two CPA firms totaling contributing \$6,000, individual CPA members either making a one-time contribution or aggregate contributions totaling between \$100 to \$1,000, and a \$2,880 as a Miscellaneous Receipts for a refund from a vendor.
- Concerning the 2016 late filed reports an Enforcement hearing before the Full Commission has been scheduled on March 26, 2020 for the Committee, for failing to timely file four C-3 reports and the 21-Day and 7-Day Pre-Primary Election C-4 reports during calendar year 2016.
- Some of the C-3 reports filed by the Committee and reviewed by staff made during 2015 to 2017 included one deposit for contributions received during the entire month, for example during April and May 2016. Based solely on the information disclosed on the C-3 reports, it appeared the Committee failed to timely deposit some of the monetary contributions received from its members within five business days of receipt in accordance with RCW 42.17A.220.

- For the remaining allegations in the complaint, Mr. Williams stated the following:
  1. The CPA PAC has filed C-1pc reports when there have been any changes to the committee structure or information, but they failed to file those reports timely in accordance within 10 days of a material change. He added *“We have corrected this as well. As soon as there is any change in the WSCPA PAC committee structure, the WSCPA reports that change within the 10-day period.”*
  2. The Committee has never made any illegal unauthorized expenditures of funds by anyone listed on the registration, and *“has always made it a practice that the treasurer deposits the funds.”*
  3. The committee *“has always maintained its books for more than 5 years and has done it accurately and ethically.”*
  4. The CPA PAC made no expenditures to produce and distribute any political advertising, so there was no need for them to include the sponsor identification on any advertising. In addition, he added the committee did not make or *“engage in any independent expenditures”* so there was no need for the CPA PAC to file a C-6 report.

In the response the Committee acknowledged failing to timely file C-4 reports during calendar years 2015 and 2017. However, staffs review found that the vast majority of those late filed reports contained minor or no contribution and expenditure information, so the public was not deprived of any critical information.

Concerning the remaining allegations against the CPA PAC, other than the allegations for the late filed 2016 C-3 and C-4 reports that will be addressed by the Commission at the March 26, 2020 enforcement hearing, PDC staff found no evidence of a material violation that would require conducting a more formal investigation into your complaints or pursuing enforcement action in this instance.

However, staff has reminded the Committee to timely deposit all campaign contributions received from its members within five business days of receipt in accordance with RCW 42.17A.220 and to complete a separate C-3 report for each deposit.

Based on this information, PDC staff is dismissing the remaining allegations listed in the complaint in accordance with RCW 42.17A.755(1). Once the March 26, 2020 enforcement hearing has been conducted, staff will notify of those results. If you have questions, you may contact me at (360) 664-8854 or by e-mail at [kurt.young@pdc.wa.gov](mailto:kurt.young@pdc.wa.gov).

Sincerely,

Endorsed by:

s/\_\_\_\_\_

s/\_\_\_\_\_

Kurt Young, PDC Compliance Officer

BG Sandahl, Deputy Director

For Peter Lavalley, Executive Director

cc: Hayden Williams, Treasurer for WA CPA PAC