

Respondent Name

38th Legislative District Democratic Central Committee

Complainant Name

Glen Morgan

Complaint Description

[Glen Morgan](#)

(Wed, 29 Dec 2021 at 11:38 PM)

To whom it may concern,

It has come to my attention that the 38th Legislative District Democrats (Non-Exempt) has once again violated Washington State's campaign finance laws (RCW 42.17A). The violations are as follows:

1) Acceptance of illegal overlimit corporate contributions multiple years in a row (Violation of RCW 42.17A.405(7), WAC 390-05-400)

After noticing that the Whatcom County Democratic Central Committee was violating the law by accepting illegal overlimit corporate contributions to their exempt account, I realized I should look at some of the other frequent lawbreaking organizations out there, and the 38th Legislative District Democrats came to mind. Lawbreaking should be exposed when it is discovered, and there is no better time than right now, so sure enough, it looks like they are also breaking the law.

First, for background, Washington State's campaign finance laws clearly set limits on corporate contributions to non-exempt County Party accounts. See **RCW 42.17A.405(7)** and the corresponding **WAC 390-05-400** which establish this limitation of \$5500. In addition the PDC provides a handy cheat-sheet for simple reference which also defines this limit (see attached). The 38th LD Democrats are a well-financed Legislative District Democratic Party PAC which is very familiar with the law (in fact, they are particularly familiar with this specific law as I will remind the PDC at the end of this complaint), yet they chose to violate the law regardless.

The obvious violation of this contribution limit was a recent \$10,000 contribution by the Tulalip on November 1, 2021 (**See attached PDC Report # 110060609**). This was an illegal contribution under **RCW 42.17A.405(7)** and **WAC 390-05-400** by \$4,500 and these illegal funds should be refunded to the corporation that sent them. I will note that this contribution also occurred within just a few days of the 2021 November general election and should receive the heightened scrutiny and recognition of the illegal contribution it is during this key window of time.

Please note that the 38th LD Democrats claim to have an "Exempt" account, but the clear reporting shows these funds being deposited and used in the Non-Exempt 38th LD Democrats account. Please note, as the PDC has clearly instructed other political Party organizations in the past, it is not legal for the political party to pretend they have an "Exempt" account, but then co-mingle the funds from both the Non-Exempt and Exempt accounts. A separate bank account is required, and the PDC investigators should request bank statements from the 38th LD Democrats to verify this illegal co-mingling of funds is not occurring in this situation.

History of Breaking the Law

Please note that the 38th Legislative District Democrats Committee has a history of violating Washington State's campaign finance laws, so this recent violation documented above is simply a continuation of this same law-breaking behavior. Please note that the Public Disclosure Commission has already signed a Statement of Understanding and fined this Party PAC \$150 on June 13, 2019 (**PDC Enforcement Case #27925**). I have attached a copy of that PDC Statement of Understanding and my original complaint in

that case for reference. This was only just over two years ago, and staff will note **THE EXACT SAME VIOLATION was committed at that time.**

It appears that PDC fines are not taken seriously by this well-funded corporately sponsored political organization, and more serious penalties are in order in this instance. Maybe eventually they will at least pretend to follow the law at some point in the near future.

Please feel free to contact me if you need any further evidence of wrongdoing by this corporately sponsored party political committee and I'll strive to be more timely in my future complaints exposing these inevitable violations which this group seems to enjoy repeatedly committing.

Best Regards,

Glen Morgan

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

The public has a right to know if a political party will allow itself to violate the law and accept illegal overlimit corporate contributions. The public has a right to know if one party political committee just wants to keep violating the same law over and over again, expecting that maybe this time will be different?

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

C3 is attached and referenced by tracking number in the complaint. Also, the storied history of violations are attached as well.

List of potential witnesses

The committee leadership and treasurer are obviously implicated here.

Certification (Complainant)

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.

**CASH RECEIPTS
 MONETARY
 CONTRIBUTIONS**

C3
 (1/02)

THIS SPACE FOR OFFICE USE
 110060609
 11-07-2021

Candidate or Committee Name (Do not abbreviate. Use full name.)
38th LD Democrats Non-Exempt

Mailing Address
P.O. Box 12512

City Zip + 4 Office Sought (candidates) Election Date
Everett, WA 98206 _____ **2021**

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
	a. Anonymous		
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c).....		
	c. Loans, notes, security agreements. Attach Schedule L		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
11/01/21	THE TULALIP TRIBES OF 6406 Marine Drive Tulalip, WA 98271				\$10,000.00	\$10,000.00
	Occupation					
11/01/21	ARDIS HALLANGER 3113 8TH STREET EVERETT, WA 98201				\$50.00	\$50.00
	Occupation					
11/02/21	TERESA JOHNSON 5810 Fleming Street, Unit 84 Everett, WA 98203				\$60.00	\$60.00
	Occupation					
	<input type="checkbox"/> Check here if additional pages are attached				Sub-total \$10,110.00 Amount from attached pages \$0.00	*See reverse for details.
3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.					\$10,110.00	

4. Date of Deposit
11/07/21

Treasurer's Daytime Telephone No.: **(206)450-5250**

I certify that this report is true and complete to the best of my knowledge

Treasurer's Signature **Jack Lockhart** Date **11-07-2021**



RECEIVED

JUN 25 2019

Public Disclosure Commission

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.pdcc.wa.gov

Public Disclosure Commission Statement of Understanding

38th Legislative District Democrats: PDC Cases 16901 & 27925

I, Paula Townsell, Chair, hereby acknowledge that the 38th District Democrats:
(Printed Name of Committee Officer)

1. Received a \$10,500 monetary contribution from the Everett Firefighters Local 46 on March 22, 2017, that exceeded the \$5,500 contribution limits for a Non-Exempt funds account of a bona fide political party committee for calendar year 2017, in violation of RCW 42.17A.405. For 2017, the Non-Exempt funds account of a bona fide legislative district political party committee was limited to receiving \$5,500 in aggregate contributions from any one source, except for contributions received from an individual, another bona fide political party committee, or from a caucus political committee.

The 38th Legislative District Democrats would like to avoid the time and expense resulting from a Brief Adjudicative Proceeding (Brief Enforcement Hearing) being scheduled by Public Disclosure Commission (PDC) staff.

Therefore, in lieu of PDC staff scheduling a Brief Enforcement Hearing, the 38th Legislative District Democrats are completing this Statement of Understanding and enclosing a check or money order in the amount of \$150, as a penalty payment in this matter.

The \$150 penalty being assessed is for one acknowledged violation of RCW 42.17A.405 for receiving a \$10,500 contribution from the Everett Firefighters Local 46 in 2017, that exceeded the \$5,500 contribution limits for a Non-Exempt funds account of a bona fide political party committee that can be received from any one entity or source.

The \$150 penalty is assessed in accordance with the Penalty Schedule adopted by the Commission for Brief Enforcement Hearings set forth in WAC 390-37-143.

The 38th Legislative District Democrats understand that by completing this Statement of Understanding, it is acknowledging violations of RCW 42.17A as set forth above and is waiving its right to a hearing in this matter.

Paula Townsell, Chair

Committee Officer
38th Legislative District Democrats

June 13, 2019

Date Signed

Please make your check or money order payable to the **“Washington State Treasurer”** and be sure to include the PDC Case number in the memorandum field, and mail or deliver this Statement of Understanding along with your payment to:

Public Disclosure Commission
711 Capitol Way, Room 206
PO Box 40908
Olympia, WA 98504-0908



File a Formal Complaint - Glen Morgan

[Glenmorgan89](#) (Wed, 22 Nov at 11:00 PM) via Portal [Meta](#)
To Whom it May Concern --

It has come to my attention that the 38th Legislative District Democrats have habitually and willfully committed frequent and multiple violations of **RCW 42.17A**. Additionally, I have reason to believe that other violations of this chapter have occurred beyond what I have identified below.

1) Failure to file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)

State law requires that candidates and committees file frequent, accurate reports of contributions, expenditures, in-kind contributions, and debt. Unfortunately, 38th District Democrats has failed on numerous occasions to do this. (See **Exhibits A - "Illegally late reported C3 and C4 reports"**)

2) Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)

State law requires that the name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days be reported on form C4. Per **WAC 390-05-295**, this includes any oral or written order placed, debt or obligation to purchase goods or services or anything of value, or any offer to purchase advertising space, broadcast time or other advertising related product or service.

38th District Democrats illegally failed to report the following debts: (See **Exhibit B - "Illegal failure to timely report debts"**).

3) Failure to properly break down, describe expenses. (Violation of RCW 42.17A.235, see WAC 390-16-205, WAC 390-16-037)

State law requires that expenditures made on behalf of a candidate or political committee by any person, agency, firm, organization, etc. employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or committee's efforts shall be deemed expenditures by the candidate or committee. In accordance with **WAC 390-16-037** and **WAC 390-16-205**, such expenditures shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly. Additionally, in accordance with **WAC 390-16-037**, the exact purpose of the expenditure, the quantity of items printed, and the individual value of broadcast ads distributed on various media outlets must be disclosed on form C4. 38th District Democrats illegally failed to break down the following expenses.

(See **Exhibit C - "Illegal failure to break down expenditures"**)

4) Failure to disclose earmarked contribution. (Violation of RCW 42.17A.270) (See attachment & PDC Complaint #16901)

"On the PDC website, the Friends of Brian Sullivan for Everett Mayor campaign reports that they received a donation of \$10,000 from the 38th Legislative District Democrats on April 3, 2017. I have reason to believe this is a pass-through donation from the Everett Firefighters Local 46 union, who reportedly made this donation to the 38th LD under the condition that it be passed-through to the Sullivan campaign. The donation from the Firefighters union to the 38th LD, in the amount of \$10,500, was recorded on 3/22/17. It allegedly included the additional \$500 to be retained by the 38th LD."

The PDC should investigate the possibility that 38th District Democrats committed the above violations maliciously, which would be a class C felony per **RCW 42.17A.750 (2)(c)**. If the PDC determines that is the case, they should refer the case to the Attorney General's office for criminal prosecution immediately.

Please don't hesitate to contact me if you need any additional information.

Please note, I have provided all three spreadsheet attachments in both Excel and PDF file formats as requested by PDC staff. The fourth attachment is just a PDF file.

Best Regards,

Glen Morgan

File a Formal Complaint - Jackie Pryor

[Jpryor030](#) reported 4 days ago (Fri, 14 Apr at 1:17 PM) via Portal Meta

On the PDC website, the Friends of Brian Sullivan for Everett Mayor campaign reports that they received a donation of \$10,000 from the 38th Legislative District Democrats on April 3, 2017. I have reason to believe this is a pass-through donation from the Everett Firefighters Local 46 union, who reportedly made this donation to the 38th LD under the condition that it be passed-through to the Sullivan campaign. The donation from the Firefighters union to the 38th LD, in the amount of \$10,500, was recorded on 3/22/17. It allegedly included the additional \$500 to be retained by the 38th LD.



STATE OF WASHINGTON PUBLIC DISCLOSURE COMMISSION

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July 23, 2019

Delivered electronically to Jackie Pryor and Glen Morgan

Subject: Complaints regarding the 38th Legislative District Democratic Party; PDC Case 16901 & PDC Case 27925

Dear Ms. Pryor and Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the two complaints you filed against the 38th Legislative District Democratic Party (Committee), a bona fide legislative district political party committee registered with the PDC. Your complaints alleged the Committee may have violated: (1) RCW 42.17A.270 by receiving an earmarked contribution from the Everett Firefighters Local 46, and using those earmarked funds to make a contribution to Brian Sullivan, a candidate for Mayor of Everett in 2017; and (2) RCW 42.17A.235 and .240 for failing to timely and accurately file Monetary Contribution reports (C-3 reports) and Campaign Full Summary Contributions and Expenditures reports (C-4 reports) disclosing contribution and expenditure activities, including debts and obligations, and providing detailed expenditure descriptions and required sub-vendor breakdowns.

For your information, to more efficiently use PDC staff resources, we have combined both of your complaints into one letter. PDC staff reviewed the allegations listed in each of your complaints, the applicable statutes, rules, and reporting requirements for a bona fide political party committee, the responses provided by the Committee, the Committee Registration (C-1pc report), C-3 and C-4 reports filed by the Committee and data in the PDC contribution and expenditure database. As a result of staff's review, we found the following:

- On March 3, 2017, the Committee filed a C-1pc report as a Continuing Bona Fide Political Party Committee, selecting the Full Reporting Option and listing Charlene Rawson as Chair, and Victor Harris as Treasurer. The Committee has been registered as a Continuing Bona Fide Political Party Committee filing C-3 and C-4 reports with the PDC dating back to at least 1997.
- For the 2016 election cycle, the Committee disclosed \$13,922 in contributions received that included \$4,146 in committee funds carried forward from 2015, and \$9,768 in expenditures, with a \$4,154 cash on hand balance. The Committee spent more than \$3,923 on 2016 party caucus events which represented more than 40% of all expenditures.
- The Committee timely filed the April and May 2016 C-4 reports, the 7-Day Pre-Primary Election C-4 report, the 7-Day Pre-General Election C-4 report and the Post-General Election C-4 report. The Committee was not required to file a January 2016 C-4 report.

- The Committee filed the 21-Day Pre-Primary Election C-4 report nine days late, disclosing no contribution or expenditure activities, and the 21-Day Pre-General Election C-4 report late, disclosing minor contribution and expenditure activities.
- For the 2017 election cycle, the Committee disclosed \$21,865 in contributions received that included \$4,154 in committee funds carried forward from 2016, and \$19,773 in expenditures, with a \$2,092 cash on hand balance. The 2017 Committee expenditures included a \$10,000 contribution made to the Brian Sullivan campaign that was timely disclosed on the April 2017 C-4 report.
- The Committee timely filed the April and May 2017 C-4 reports, the 21-Day Pre-Primary Election C-4 report, the Post-Primary Election C-4 report, and the Post-General Election C-4 report. The Committee filed the 2017, 7-Day Pre-Primary Election C-4 report, and the 21-Day and 7-Day Pre-General Election C-4 reports late, including three contributions totaling \$2,500 made by the Committee to local 2017 candidates.

Allegations concerning earmarked contributions:

- On December 13, 2016, Brian Sullivan filed a Candidate Registration (C-1 report) declaring his candidacy for Mayor of Everett in 2017. Brian Sullivan is an incumbent Snohomish County Councilmember, having been elected to that in office in 2007, and re-elected in 2011, and 2015. He is also a former Democratic State Representative from the 21st Legislative District.
- On March 22, 2017, the Committee received a \$10,500 monetary contribution from the Everett Firefighters Local 46.
- Later, on the evening of March 22, 2017, Victor Harris, Committee Finance Chairman called a meeting of the 38th District Democrats Finance Committee. At the meeting, Mr. Harris requested that the party make a \$10,000 monetary contribution to the Brian Sullivan campaign, Committee member Tracy Hofstaedter-Pirtle seconded the request, and the motion was adopted by the Finance Committee. Mr. Harris provided PDC staff a copy of the meeting minutes.
- On April 10, 2017, the Committee timely filed a C-3 report disclosing the receipt of \$10,861 in monetary contributions that were deposited on March 23, 2017, which included the \$10,500 monetary contribution from the Everett Firefighters Local 46 (IAFF Local 46) that was received on March 22, 2017.
- On April 10, 2017, the Friends of Brian Sullivan Campaign timely filed a C-3 report disclosing the receipt of a \$10,000 monetary contribution from the Committee, received on April 3 and deposited on April 7, 2017.
- On May 10, 2017, the Committee timely filed the April 2017 C-4 report disclosing \$676 in contributions received and \$10,193 in expenditures that included the \$10,000 expenditure in the form of a monetary contribution made to the Brian Sullivan campaign on April 10, 2017. (Note: On November 12, 2017, the Committee filed an amended April 2017 C-4 report disclosing that the \$10,000 contribution was made to the Brian Sullivan campaign on April 3, 2017.)
- Mr. Harris stated in the response that Brian Sullivan received the sole endorsement of the Committee party organization in January of 2017.

- Mr. Harris stated the party recognized at that early date that the candidates seeking the office of Mayor of Everett in 2017 was likely to be the most important election in the legislative district that year. He stated that several party members were interested in the Committee contributing to the Brian Sullivan Campaign, with the initial amount being discussed being around \$5,000. He stated after the March 17, 2017, party fundraising event had been held, the Committee had funds available to make a larger contribution to the Brian Sullivan Campaign for Mayor in 2017, and he added:

“With the Fire Fighter's contribution (a sponsorship of the March 17th, 2017 event), we were able to contribute a larger amount and stay within our .50/voter limit (35,000). Given the overwhelming support for sole-endorsement, and the defeat of reconsideration, the importance of the Mayoral race, putting a large amount of our resources toward... this campaign is necessary in what is anticipated to be a highly contested race.”

- On May 5, 2017, Mr. Harris signed and completed a declaration prepared by PDC staff in which he denies that the Committee received an earmarked contribution from IAFF Local 46 in behalf of the Brian Sullivan Campaign. He stated that the Committee made the contribution to Brian Sullivan at his request and not at the request for the IAFF Local 46, and that the request was approved by the 38th Legislative District Democratic Party Finance Committee.
- On August 23, 2017, Paul Gagnon, President of IAFF Local 46, signed and completed a declaration prepared by PDC staff, in which he stated:

“The IAFF Local 46 (IAFF 46) did not provide an earmarked contribution to the 38th LDDCC, and did not direct or designate that the 38th LDDCC pass-through any portion of the \$10,500 contribution to the Brian Sullivan Campaign.” . . . “The \$10,500 contribution provided to the 38th LDDCC on March 22, 2017, from the IAFF Local 46, was not earmarked for the Brian Sullivan Campaign, and was not otherwise directed or encumbered to be spent on a specific candidate.”

- Staff reviewed the March 2017 C-3 reports and C-4 reports filed by Committee, disclosing the Committee had \$17,380 as a cash-on-hand balance as of March 31, 2017, after receiving the \$10,500 contribution from IAFF Local 46, and other monetary contributions received in March of 2017.
- The \$17,380 cash on hand balance included \$6,880 in other monetary contributions that had been received by the Committee. PDC practice for treating contributions received by a filer is that the first contributions received are the first contributions spent (absent evidence to the contrary), so that in making the \$10,000 contribution to Mr. Sullivan, the Committee used \$3,220 of the \$10,500 contribution received from the IAFF Local 46 to make the contribution to the Brian Sullivan Campaign, or 30.7 percent of the IAFF Local 46 contribution.
- For 2017, the Non-Exempt funds account of a bona fide legislative district political party committee was limited to receiving \$5,500 in aggregate contributions from any one source, except for contributions received from an individual, another bona fide political party committee, or from a caucus political committee.
- After being notified about exceeding the Non-Exempt funds contributions after receiving the \$10,500 contribution from IAFF Local 46, the Committee agreed to refund the \$5,000 overage, but they did not have the funds on hand to do so at that time.

- On January 8, 2018, the Committee filed an amended 2017 Post-General Election C-4 report, disclosing a \$5,000 outstanding obligation owed to the IAFF Local 46 to refund a portion of the contribution. The Committee continued to disclose a \$5,000 outstanding obligation owed to the IAFF Local 46 as a refunded contribution through the first five months of 2018.
- The Committee disclosed making a \$5,000 expenditure on June 20, 2018, to IAFF Local 46 refunding the \$5,000 portion of the original \$10,500 contribution that exceeded limits.
- The Committee has no prior PDC violations.

No evidence was found that the \$10,500 contribution received by the Committee from IAFF Local 46 was earmarked, designated or otherwise directed through the Committee to be contributed to the Brian Sullivan Campaign. Both Mr. Harris and Mr. Gagnon submitted declarations affirming that the contribution received by the Committee from IAFF Local 46 was “not earmarked ...or otherwise directed or encumbered to be spent” for Brian Sullivan or any specific candidate.

The Committee completed a Statement of Understanding (SOU) and paid a \$150 civil penalty in accordance with WAC 390-37-143 (Brief Enforcement Penalty Schedule), acknowledging a violation of RCW 42.17A.405 for exceeding the \$5,500 contribution limits for a Non-Exempt funds account of a bona fide political party committee for calendar year 2017.

The \$150 penalty assessed in this matter resolves the issue of exceeding the Non-exempt contributions limits by the Committee. Based on the Committee having no prior violations, completing the SOU, and refunding \$5,000 of the \$10,500 contribution received from the IAFF Local 46 that exceeded the Non-Exempt funds limits, staff has determined that, in this instance, the remaining allegations do not warrant further investigation.

However, pursuant to WAC 390-37-060(1)(d), PDC staff is formally warning the Committee concerning the importance of timely and accurately filing C-3 and C-4 reports disclosing contribution and expenditure activities undertaken by the party organization, including the disclosure of debts, expenditure descriptions and sub-vendor breakdown, and adhering to the contribution limits as required by PDC laws and rules. This formal written warning conveys staff’s expectation that the Committee will fully comply with the C-3 and C-4 reporting requirements in the future. The Commission will consider this formal written warning if there are any future PDC law or rule violations by the Committee.

The PDC has dismissed these two matters, PDC Cases 16901 and 27925, in accordance with RCW 42.17A.755(1). If you have questions, you may contact Kurt Young at 360-664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by,

s/ _____
Kurt Young, Compliance Officer

s/ _____
Peter Lavalley, Executive Director

cc: 38th Legislative District Democratic Party Committee