



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

May 29, 2019

Sent electronically to Steven Drew, Treasurer Sam Hunt Campaign

Subject: Complaint filed against Sam Hunt (3), PDC Case 28817

Dear Mr. Drew:

Below is a copy of an electronic letter sent to Glen Morgan concerning the complaint he filed with the Public Disclosure Commission (PDC) against the 2016 Sam Hunt for State Senate Campaign. As noted in the letter to Mr. Morgan, the PDC will not be conducting a more formal investigation into these allegations or taking any action in this matter.

Based on this information, the PDC has dismissed this matter 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@pdcc.wa.gov.

Sincerely,

Endorsed by:

s/_____
Kurt Young, Compliance Officer

s/_____
BG Sandahl, Deputy Director
For Peter Lavalley, Executive Director





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Subject: Complaint filed against Sam Hunt (3), PDC Case 28817

Mr. Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on December 13, 2017 against Sam Hunt, an incumbent State Senator representing the 22nd Legislative District and a candidate for re-election to that office in 2016. The complaint alleged that the Sam Hunt for State Senate Campaign (Campaign) may have violated RCW 42.17A.235 and .240 by failing to timely file Monetary Contributions reports (C-3 reports), and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) disclosing contribution and expenditure activities, including the reporting of debts and obligations undertaken by the Campaign.

PDC staff reviewed the allegations listed in the complaint, the statutes, rules and reporting requirements for a Legislative candidate, queried the PDC contribution and expenditure database, reviewed the C-3 and C-4 reports filed by the Campaign, and the response to the complaint provided by Steven Drew, Campaign Treasurer. Based on staff's review, we found the following:

- On October 15, 2015, Sam Hunt filed a Candidate Registration (C-1 report) declaring his candidacy for State Senator in the 22nd Legislative District, selecting the Full Reporting Option and listing Steven Drew as Campaign Treasurer. Prior to that, Senator Hunt served as a State Representative in the 22nd Legislative District since being elected to that office in 2000.
- Specifically, your complaint alleged that the Campaign failed to timely and accurately file C-3 and C-4 reports, disclosing debts and obligations related to the \$1,367.50 suspended portion of the monetary penalty agreed to in the settlement agreement with the Attorney General's Office (AGO), and the penalties and legal costs related to the Citizens Action Notice's you filed.
- Staff's review found that on August 9, 2017 the Campaign filed a C-4 report covering the period February 1 through July 31, 2017, disclosing a \$5,107.50 expenditure to pay the AGO for penalties and investigative costs related to your CAN complaints.

- Also, on August 9, 2017, the Sam Hunt Surplus Funds account filed a C-4 report covering the period June 1 through July 31, 2017, disclosing three debts totaling \$1,050 as outstanding liabilities owed to Younglove & Cooker, PLLC, for legal fees.
- On August 29, 2017, the Campaign sent an email to PDC staff requesting confirmation about how to report legal fees that had been incurred by the Campaign related to the CAN's you filed with the AGO on the PDC reports.
- PDC staff had recently revisited its advice to other candidates and Respondents concerning expenditures for legal fees and penalties incurred related to CAN's and recommended that the Campaign pay the outstanding legal fees using Campaign funds, either from the 2016 Campaign or a 2020 Campaign rather than paying them using surplus funds.
- On October 9, 2017: (1) the 2016 Campaign filed a final C-4 report disclosing \$87,492 in total contributions received, \$86,785 in expenditures made, with a \$706.84 cash on hand balance, and \$850 in remaining debts owed to Younglove & Cooker, PLLC, for legal fees; and (2) the 2020 Campaign filed its initial C-4 report covering the period September 19 through 30, 2017, disclosing \$706.84 as the funds carried forward from 2016, and an \$850 in-kind contribution from Younglove & Cooker, PLLC, forgiving the 2016 Campaign debts owed for legal fees.

Based on these findings, and the facts that the suspended portion of a penalty that is contingent on the finding of a future violation is not reportable as a debt, and that the penalties, and legal fees that were incurred by the Campaign after the November 8, 2016 general election had been held, and those activities did not support Senator Hunt's candidacy, in this instance does not amount to a finding of an actual violation warranting further investigation.

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 Kurt Young at 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/_____
BG Sandahl, Deputy Director for
Peter Lavalley, Executive Director

cc: Sam Hunt for State Senate Campaign