



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

January 30, 2020

Delivered electronically to "jay@bluewavepolitics.com"

Subject: Complaint filed by Glen Morgan, PDC Case 25506

Dear Jay Petterson, Eastside Leadership Council

Below is a copy of an electronic letter sent to Glen Morgan concerning a complaint filed with the Public Disclosure Commission (PDC).

As noted in the letter to Glen Morgan, the PDC has dismissed this matter in accordance with RCW 42.17A.755(1) and will not be conducting a more formal investigation into these allegations or taking further enforcement action in this matter.

If you have questions, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov

Sincerely,

/s _____

Alice Fiman
Compliance Officer

Endorsed by,

/s _____

Barbara Sandahl
Deputy Director
For Peter Lavalley
Executive Director



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January 30, 2020

Delivered electronically to glen@wethegoverned.com

Subject: Complaint regarding Eastside Leadership Council, PDC Case 25506

Dear Glen Morgan:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed September 27, 2017. Your complaint alleged Eastside Leadership Council, a 2017 Election Year Political Committee, violated RCW 42.17A.270 by failing to report earmarked contributions for the benefit of Manka Dhingra, a 2017 candidate for State Senator for the 45h Legislative District.

To determine whether the record supports a finding of one or more violations, PDC staff reviewed: the allegations, the applicable statutes, rules, and reporting requirements; PDC reports filed by the Eastside Leadership Council; the attachments you provided; and the response Brian Svoboda, Counsel to Eastside Leadership Council, submitted on October 17, 2017 to the Washington State Attorney General. Based on staff's review, we found the following:

- On June 12, 2017, the Eastside Leadership Council (Committee) filed a Committee Registration (C-1pc report) with the PDC as a first-time committee in 2017 registering as a Single Year only committee, selecting the Full Reporting Option, and disclosing as required for a single year committee, that the Committee was supporting Manka Dhingra.
- The C-1pc report listed Kurt Fritts as Committee Manager, and Jay Petterson as Treasurer, and disclosed that it was related or affiliated with New Direction PAC, and stating that was the parent PAC.
- During calendar year 2017, the Committee timely filed C-3 and C-4 reports disclosing \$1.9 million in contributions received and \$1.9 million in expenditures made for Electioneering Communications and Independent Expenditures in support of Manka Dhingra or in opposition to Jinyoung Englund.
- The Committee received contributions came from only two sources during the 2017 election, New Directions PAC which contributed \$1.35 million to the Committee, and the Kennedy Fund which is a Senate Democratic Caucus related committee that contributed \$570,000. In addition to the electioneering communications (EC) and independent expenditures (IE) made by the Committee, expenditures were also made for consulting fees, administrative support staff, and committee overhead costs.

- In the response, Mr. Svoboda stated that the contributions received by the Committee were used for the purpose as disclosed on the C-1pc report, to support Manka Dhingra.
- Staffs review found that in 2017, New Directions PAC listed that Kurt Fritts was the Committee Manager, and Jay Petterson as Treasurer the same as the Committee, and the C-1pc report filed on January 4, 2018 disclosed that the Eastside Leadership Council was a subordinate affiliated committee.
- Since the Committee shared the same officers and is affiliated with New Directions PAC, the contributions received were not "earmarked contributions" to Manka Dhingra or her campaign but were intended to be spent "solely for" EC's and IE's to support her and to oppose Ms. Englund. Mr. Svoboda added that "Nor did the Committee serve as 'an intermediary or conduit' through which funds passed in order to make contributions."

Based on these findings, staff has determined in this instance no evidence was provided or found that the Eastside Leadership Council violated RCW 42.17A.270 by failing to disclose earmarked contributions and does not warrant further investigation.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, contact Alice Fiman toll-free at 1-877-601-2828 or by e-mail at fdc@fdc.wa.gov.

Sincerely,

/s _____
Alice Fiman
Compliance Officer

Endorsed by,
/s _____
Barbara Sandahl
Deputy Director
For Peter Lavalley
Executive Director