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Superior Court
Clerk
Thurston County, WA

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**STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

SPOKANE COUNTY DEMOCRATIC
CENTRAL COMMITTEE, a Washington
nonprofit corporation; JIM CASTROLANG,
individually and in his capacity as Executive
Director and Chair of the SPOKANE
COUNTY DEMOCRATIC CENTRAL
COMMITTEE; and JUSTIN GALLOWAY,
individually and in his capacity as Treasurer
of the SPOKANE COUNTY
DEMOCRATIC CENTRAL COMMITTEE,

Defendants.

NO.

17-2-02837-34

COMPLAINT FOR CIVIL
PENALTIES AND FOR
INJUNCTIVE RELIEF FOR
VIOLATIONS OF RCW 42.17A

I. NATURE OF ACTION

1.1 For years, Defendants SPOKANE COUNTY DEMOCRATIC CENTRAL
COMMITTEE (COMMITTEE), a Washington nonprofit corporation, JIM CASTROLANG,
and JUSTIN GALLOWAY failed to meet their statutory obligations under provisions of the
state campaign finance and disclosure law, RCW 42.17A. To date, they struggle to reconcile
the Committee's reports.

1.2 These deficiencies occurred while Defendants JIM CASTROLANG
individually and in his capacity as Executive Director and Chair of the SPOKANE COUNTY

1 DEMOCRATIC CENTRAL COMMITTEE and JUSTIN GALLOWAY, individually and in
2 his capacity as Treasurer of the SPOKANE COUNTY DEMOCRATIC CENTRAL
3 COMMITTEE, were at the helm.

4 1.3 Defendants violated the basic transparency tenet of RCW 42.17A by failing to
5 publicly disclose the Committee's financial transactions.

6 1.4 The State seeks relief under RCW 42.17A.750 and .765, including civil
7 penalties, costs and fees, and injunctive relief for the Defendants' failures.

8 II. PARTIES

9 2.1 Plaintiff is the State of Washington. Acting through the Washington State
10 Attorney General, a local prosecuting attorney, or the Public Disclosure Commission, the State
11 enforces the state campaign finance disclosure laws contained in RCW 42.17A.

12 2.2 Defendant SPOKANE COUNTY DEMOCRATIC CENTRAL COMMITTEE
13 (Committee) is registered as a Washington nonprofit corporation. As the term is used under
14 RCW 42.17A.005(6)(c), it is the county central committee for the Washington State
15 Democratic Central Committee in Spokane County, Washington.

16 2.3 Defendant JIM CASTROLANG acted as Chair for the Committee from January
17 2013 to January 2017. From September 2015 to April 2017, he held the paid position of
18 Executive Director for the Committee.

19 2.4 Defendant JUSTIN GALLOWAY was the treasurer for the Committee
20 beginning mid-2014 until September 2016. In that capacity, he was responsible for the timely
21 and accurate reporting of contributions received and expenditures made by the Committee.

22 III. JURISDICTION AND VENUE

23 3.1 This Court has subject matter jurisdiction over the present case, in accordance
24 with RCW 42.17A. The Attorney General has authority to bring this action pursuant to
25 RCW 42.17A.765.

26 3.2 This Court has personal jurisdiction over the Committee, a Washington non-

1 profit corporation with active membership and representatives in the State of Washington. The
2 Committee's headquarters is located in the State of Washington. This Court also has personal
3 jurisdiction over Defendants CastroLang and Galloway as residents of the State of
4 Washington. All acts and omissions complained of here took place in Thurston County,
5 Washington as the site where contribution and expenditure reports as well as committee
6 registration reports must be filed.

7 3.3 Venue is proper in this Court pursuant to RCW 4.12.020(1).

8 IV. FACTUAL ALLEGATIONS

9 4.1 RCW 42.17A declares as a matter of public policy "[t]hat political campaign
10 and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is
11 to be avoided." RCW 42.17A.001(1). The statute further provides that the State's campaign
12 finance and disclosure law "shall be liberally construed to promote complete disclosure of all
13 information respecting the financing of political campaigns."

14 4.2 Washington's campaign finance law requires political committees, including
15 party county committees, to timely report contributions received, including in-kind
16 contributions. The information required to be disclosed includes the name and address of the
17 source of contributions that exceed \$25 in the aggregate, and the employer and occupation of
18 any individual contributor giving more than \$100 in the aggregate. RCW 42.17A.235, .240;
19 WAC 390-16-037. Contribution disclosures are reported on a Public Disclosure Commission
20 form "C-3" which is called the "Cash Receipt Monetary Contributions" form.

21 4.3 Washington's campaign finance law also requires political committees to timely
22 report expenditures related to state campaigns, including any debts incurred by the political
23 committee. RCW 42.17A.235, .240(8); RCW 42.17A.005(20). The PDC form to report
24 expenditures is called a "Summary, Full Report Receipts and Expenditures" and is a form
25 "C-4." An expenditure is defined to include "a *promise to pay*, For the purposes of this
26 chapter, agreements to make expenditures, contracts, and promises to pay may be reported as

1 | estimated obligations until actual payment is made.” RCW 42.17A.005(20).

2 | 4.4 The Committee is a political party committee as the term is used in RCW
3 | 42.17A, and is more specifically a county committee of the Washington State Democratic
4 | Central Committee. As such, the Committee routinely raises funds in order to support various
5 | Democratic candidates and ballot propositions. For the five years immediately preceding the
6 | filing of this Complaint, the Committee received contributions and made expenditures, all of
7 | which should have been reported in accordance with RCW 42.17A.

8 | 4.5 On March 17, 2017, the state Public Disclosure Commission, Washington State
9 | Attorney General’s Office, Spokane County Prosecuting Attorney, and Thurston County
10 | Prosecuting Attorney received a complaint and citizen action notice alleging that the
11 | Committee had failed to timely and properly report the contributions it received and
12 | expenditures it made in 2016. The notice alleged other violations of RCW 42.17A and advised
13 | that in the event the State did not act on the allegations, the citizen would proceed in the name
14 | of the State.

15 | 4.6 The State conducted an investigation into the allegations contained in the citizen
16 | action notice. As a result of the investigation, the State determined that certain provisions of
17 | RCW 42.17A had been violated by the Committee, its Executive Director (Defendant
18 | CastroLang), and its former treasurer (Defendant Galloway).

19 | 4.7 The review of the Committee’s reports indicated that for many years, the
20 | Committee failed to timely file required reports. These filing deficiencies occurred while
21 | Defendant CastroLang was Chair, and then Executive Director, and while Defendant Galloway
22 | was the Committee’s treasurer. For many months during the past five years, Defendant
23 | Galloway did not file a single report, despite the Committee’s reportable activity of receiving
24 | contributions and making expenditures throughout the same time period.

25 | *Failure to Timely Report Contributions Received*

1 4.7 In 2015 and 2016, the Committee failed to timely disclose \$21,900 in
2 contributions from three sources.

3 a. Spokane Firefighters Union PAC:

4 i. 2015: The Committee received a total of \$7,000 from the Spokane Firefighters Union
5 PAC. It received \$5,000 on March 16, 2015, which it should have reported as a
6 deposit in a C-3 report due on April 10, 2015. It did not report its receipt until May
7 27, 2015, 47 days late. Then on November 16, 2015, the Spokane Firefighters gave
8 \$2,000 more to the Committee, which the Committee did not deposit until November
9 25, 2015. The Committee never reported receipt of this \$2,000. The report was due
10 on December 10, 2015 and is 517 days late as of this filing.

11 ii. 2016: On January 11, 2016, the Committee received one check from Spokane
12 Firefighters Union PAC for \$6,900. The Committee attributed \$3,900 to its non-
13 exempt account and \$3,000 to its exempt account. These contributions should have
14 been reported on two separate reports on February 10, 2016. The Committee reported
15 the \$3,900 non-exempt contribution on August 22, 2016, 194 days late. Then it
16 reported the \$3,000 exempt account deposit on April 6, 2017, 421 days late.

17 b. WEA PAC: On January 11, 2016, WEA PAC made a contribution to the Committee of
18 \$5,000. The Committee received but never reported this money on a C-3 contributions
19 report. The report was due February 10, 2016 and is 456 days late as of this filing.

20 c. Spokane Tribe: Around January 19, 2016, the Spokane Tribe contributed \$5,000 to the
21 Committee. The Committee deposited \$2,000 of this amount into its non-exempt
22 account and \$3,000 into its exempt account. Reports for both contributions should have
23 been filed on February 10, 2016. The \$2,000 was reported on August 22, 2016, 194
24 days late. The \$3,000 has never been reported and is currently 456 days late as of this
25 filing.

26 4.8 Further, the Committee failed to timely disclose other contributions it received

1 as required by law on a C-3 report. The following chart identifies for election year 2016 when
 2 the Committee's C-3 reports were due based on when contributions were deposited, the dates it
 3 did file such reports, the number of days such reports were late, and the value of contributions
 4 that were untimely disclosed:

Month of Reports	Number of C-3 Reports Due for the Month	Total Days Late For All Reports Due	Amount of Contributions Late Reported
January 2016	17	3819	\$7,361.57
February 2016	12	2256	\$1,900.70
March 2016	19	2595	\$5,158.55
April 2016	19	2946	\$17,275.00
May 2016	27	2460	\$13,597.00
June 2016	16	1071	\$7,583.00
July 2016	26	1145	\$12,372.35
August 2016	16	261	\$6,511.68
September 2016	5	5	\$3,261.00
October 2016	1	8	\$243.58
November 2016	11	36	\$7,026.39
TOTAL:	169	16,602	\$82,290.82

16 4.10 Upon information and belief and after a review of Defendants' contribution
 17 reports, Defendants also failed to timely file contribution reports for 2014 and 2015 in a
 18 number to be proven at trial.

19 Failure to Timely Report Expenditures/Deposits - Year 2016

20 4.11 In 2016, the Committee failed to timely disclose its expenditures as required by
 21 law on a C-4 report. The delinquencies are identified as follows:

22 a. January 2016 Report: On September 16, 2016, the Committee first filed its C-4
 23 report for the January 1 through January 31, 2016 reporting period. The C-4 report disclosed
 24 expenditures totaling \$4,876.50 and deposits totaling \$7,025 which should have been reported
 25 February 10, 2016. These disclosures were reported 219 days late.

26 b. February 2016 Report: On September 13, 2016, the Committee first filed its C-

1 4 report for the February 1 through February 29, 2016 reporting period. The C-4 report
2 disclosed expenditures totaling \$4,722.22 and deposits totaling \$1,786.20, which should have
3 been reported March 10, 2016. These disclosures were reported 187 days late.

4 c. March 2016 Report: On September 13, 2016, the Committee first filed its C-4
5 report for the March 1 through March 31, 2016 reporting period. The C-4 report disclosed
6 expenditures totaling \$4,512.13 and deposits totaling \$5,184.19 which should have been
7 reported April 11, 2016. These disclosures were reported 155 days late.

8 d. April 2016 Report: On September 16, 2016, the Committee first filed its C-4
9 report for the April 1 through April 30, 2016 reporting period. The C-4 report disclosed
10 expenditures totaling \$3,601.58 and deposits totaling \$16,582.03 which should have been
11 reported May 10, 2016. These disclosures were reported 129 days late.

12 e. May 2016 Report: On September 30, 2016, the Committee first filed its C-4
13 report for the May 1 through May 31, 2016 reporting period. The C-4 report disclosed
14 expenditures totaling \$19,132.73 and deposits totaling \$4,113, which should have been
15 reported June 10, 2016. These disclosures were reported 112 days late.

16 f. July 2016 21-day Pre-primary Election Report: On October 3, 2016, the
17 Committee first filed a C-4 report covering June 1 to June 30, 2016 (a portion of the June 1 to
18 July 11, 2016 reporting period). The C-4 report disclosed expenditures totaling \$4,374.92 and
19 deposits totaling \$10,540, which should have been reported July 12, 2016. These disclosures
20 were reported 83 days late. On October 4, 2016, the Committee first filed a C-4 report covering
21 July 1 to July 11, 2016 (the remainder of the June 1 to July 11, 2016 reporting period). The C-4
22 report disclosed expenditures totaling \$1,260.96 and deposits totaling \$436, which should have
23 been reported July 12, 2016. These disclosures were reported 84 days late.

24 g. July 2016 7-Day Pre-Primary Election Report: On October 4, 2016, the
25 Committee first filed its C-4 report for the July 12 through July 25, 2016 reporting period. The
26 C-4 report disclosed expenditures totaling \$5,677.55 and deposits totaling \$6,444, which

1 | should have been reported July 26, 2016. These disclosures were reported 70 days late.

2 | h. September 2016 Post-Primary Election Report: On October 4, 2016, the
3 | Committee first filed its C-4 report for the July 26 through August 31, 2016 reporting period.
4 | The C-4 report disclosed expenditures totaling \$9,424.92 and deposits totaling \$14,629.58,
5 | which should have been reported September 12, 2016. These disclosures were reported 22 days
6 | late.

7 | i. October 2016 21-Day Pre-General Election Report: On October 20, 2016, the
8 | Committee first filed its C-4 report for the September 1 through October 17, 2016 reporting
9 | period. The C-4 report disclosed expenditures totaling \$12,532.85 and deposits totaling
10 | \$14,563.32, which should have been reported October 18, 2016. These disclosures were
11 | reported 2 days late.

12 | j. November 2016 7-Day Pre-General Election Report: On November 1, 2016, the
13 | Committee first filed its C-4 report for the October 18 through October 31, 2016 reporting
14 | period. The report was timely filed. However, on April 20, 2017, the Committee filed an
15 | amended C-4 report for the October 18 through October 31, 2016 reporting period. The C-4
16 | report disclosed expenditures totaling \$9,723.92 and deposits totaling \$8,309.58. \$243.58 of
17 | these deposits did not appear on the original report and should have been reported November 1,
18 | 2016. These disclosures were reported 170 days late.

19 | k. 2016 Post-General Election Report: On December 16, 2016, the Committee first
20 | filed its C-4 report for the November 1 through November 30, 2016 reporting period. The C-4
21 | report disclosed expenditures totaling \$17,926.55 and deposits totaling \$17,979.41, which
22 | should have been reported December 12, 2016. These disclosures were reported 4 days late.

23 | 4.12 In total for calendar year 2016, the Committee filed 12 C-4 reports a total of
24 | 1,237 days late.

25 | Acceptance of Over-limit Contribution

26 | 4.13 The contribution limit for the Committee was \$5,000 in 2016. As outlined

1 above in paragraph 4.7(a)(i), the Committee accepted at least one \$2,000 contribution over its
2 limit.

3 Reports filed by Non-Treasurer

4 4.14 From mid-2014 to July 2016, Defendant Galloway acted as treasurer for the
5 Committee. He announced his resignation from the position effective July 31, 2016. However,
6 he remained as treasurer through September 30, 2016.

7 4.15 From July 31, 2016 to January 29, 2017, Defendant CastroLang filed
8 contribution and expenditure reports on behalf of the Committee. Defendant CastroLang was
9 not identified as the Treasurer or Deputy Treasurer on the Committee's committee registration
10 form.

11 Failure to Amend Committee Registration Form

12 4.16 After Defendant Galloway's resignation and ultimately surrender of his
13 treasurer responsibilities for the Committee, Defendants CastroLang and the Committee did
14 not identify a treasurer or amend its committee registration form to identify committee officers.

15 4.17 From July 2015 to present, Defendants CastroLang and the Committee did not
16 accurately identify the Committee's officers on the committee registration form.

17 **V. CLAIMS**

18 Plaintiff re-alleges and incorporates by reference all the factual allegations contained in
19 the preceding paragraphs, and based on those allegations, makes the following claims:

20 5.1 First Claim: Plaintiff reasserts the factual allegations made above and further
21 asserts that Defendants Galloway and the Committee, in violation of RCW 42.17A.235, failed
22 to timely disclose contributions the Committee received to the Public Disclosure Commission,
23 with the total amount of violations to be proven at trial.

24 5.2 Second Claim: Plaintiff reasserts the factual allegations made above and further
25 asserts that Defendants Galloway and the Committee, in violation of RCW 42.17A.235, failed
26 to timely disclose the Committee's expenditures to the Public Disclosure Commission with the

1 total number of violations to be proven at trial.

2 5.3 Third Claim: Plaintiff reasserts the factual allegations made above and further
3 asserts that Defendant, the Committee, in violation of RCW 42.17A.405, accepted an over-
4 limit contribution from Spokane Firefighters Union PAC.

5 5.4 Fourth Claim: Plaintiff reasserts the factual allegations made above and further
6 asserts that Defendants Galloway and the Committee, in violation of RCW 42.17A.220, failed
7 to timely deposit contributions it received, with the total amount of violations to be proven at
8 trial.

9 5.5 Fifth Claim: Plaintiff reasserts the factual allegations made above and further
10 asserts that Defendants CastroLang and the Committee, in violation of RCW 42.17A.210,
11 failed to properly identify a successor treasurer for the Committee after Defendant Galloway
12 departed from the Committee; and that Defendants CastroLang and the Committee caused
13 Committee reports filed during such time to not conform with the requirements of RCW
14 42.17A.210, with the total amount of violations to be proven at trial.

15 5.6 Sixth Claim: Plaintiff reasserts the factual allegations made above and further
16 asserts that the Committee, in violation of RCW 42.17A.205, failed to timely amend its
17 Statement of Organization (political committee registration) form filed with the Public
18 Disclosure Commission to reflect the change in its treasurer's status after Defendant Galloway
19 departed from the Committee.

20 5.7 Seventh Claim: Plaintiff reasserts the factual allegations made above and further
21 asserts that the actions of Defendants stated in the above claims were negligent and/or
22 intentional.

23 **VI. REQUEST FOR RELIEF**

24 WHEREFORE, Plaintiff requests the following relief as provided by law:

25 6.1 For such remedies as the court may deem appropriate under RCW 42.17A.750,
26 including but not limited to imposition of a civil penalty, all to be determined at trial;

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6.2 For all costs of investigation and trial, including reasonable attorneys' fees, as authorized by RCW 42.17A.765(5);

6.3 For temporary and permanent injunctive relief, as authorized by RCW 42.17A.750(1)(h); and

6.4 For such other legal and equitable relief as this Court deems appropriate.

DATED this 12th day of May, 2017.

OFFICE OF THE ATTORNEY GENERAL
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