

Formal Response to a Complaint filed with the Washington State Public Disclosure Commission Relating to an Elected Official or Candidate for Public Office

Name of Candidate: Strom Peterson
Address of Candidate: 9323 Olympic View Drive
Candidate's city, state zip: Edmonds, WA 98020
Candidate's phone: (206) 799-7363
Candidate's email: votestrom@gmail.com

Name of Complainant: Glen Morgan

Names of Respondents: Strom Peterson, Candidate
Michael Meeks, Treasurer

Treasurer's Address: 110 James Street, Suite 100
City, state, zip: Edmonds, WA 98020
e-mail(s): votestrom@gmail.com and/or mmeeks@dmecpa.com

Date Submitted: March 8, 2017
Location of Submission: Email Submission

Response to the Complaint of Glen Morgan in bold:

We are writing in response to the complaints made by Glen Morgan. We have presented the details of Mr. Peterson's "infractions" as stated by Mr. Morgan, followed by the response from the candidate, Strom Peterson, and his treasurer Michael Meeks:

1) Failure to timely file C1.

Mr. Peterson began collecting contributions on 10/30/15, however he failed to file his C1 until 1/11/16, making his severely late on filing this important paperwork.

During the period between the first contributions and the C1 filing, there was a legislative freeze on campaign fundraising; as well as a question on who would be acting as treasurer for Mr. Peterson's 2016 campaign. As soon as the treasurer was determined, the C1 was filed.

2) Illegal donation to House Democratic Campaign Committee.

Mr. Peterson made the following illegal donations to a political committee.

- House Democratic Campaign Committee 08/10/16 \$15000 Seattle WA 98184
- House Democratic Campaign Committee 12/01/16 \$12500 Seattle WA 98184

The two donations listed above came out of the candidate's surplus fund account as required by state law.

After speaking with Jennifer Hansen, PDC Compliance Specialist, we discovered that though we had set up a separate surplus bank account and kept the surplus activity separate, the activity was not properly reported to PDC. The reporting error has been corrected.

Attached please find the most recently submitted C4 for the Strom Peterson Surplus Account; along with copies of the bank statements and negotiated checks that are listed above. (SEE ATTACHMENT 1)

- 3) Failure to properly break down expenses.
The Peterson campaign illegally failed to break down the following (19) expenses.

The (19) listed expenses consisted of two vendors.

- a. **ADP Payroll – is a payroll service company that processed the wages for one part-time campaign assistant who helped with organization and administrative support during the campaign.**
- **We reported these normal campaign expenses as we have classified them in the past. The detail that was provided was full and complete. We will take direction from PDC if state law requires a more detailed breakdown than what was provided.**
- b. **Northwest Passage Consulting – is a company that assisted with campaign printing and robo calls. Those invoices are attached. (SEE ATTACHMENT 2).**

After review, we found three reported expenses that were incorrectly classified. Those were:

- **07/08/16 - \$1500 retainer for printing services incorrectly classified as 5130-Consulting, has been corrected to 5200-Printing.**
- **11/11/16 - \$271.50 for printer services retainer for printing services incorrectly classified as 5190-Postage/Mailing Permits has been corrected to 5200-Printing.**
- **11/01/16 - \$158.04 for robo calls that was incorrectly classified as 5130-Consulting has been corrected to 5005-Broadcast Advertising.**

- 4) Failure to report expenditure/in-kind contribution for professional photography.

The photos used for this campaign were re-used from previous campaigns and were taken two years prior.

- 5) Failure to report expenditure/in-kind contribution for mailing lists.

The mailing lists were included in the cost of the mailing services in the amount of \$1759.04 paid on 7/27/16 to Publishers Mailing Service, reported to PDC on the C4 due 9/12/2016. There was no in-kind contribution for this service

- 6) Failure to report, timely report debt.

All 2016 campaign expenditures were reported correctly and would not fall under the definition of a campaign debt according to the state law, since no expenditure were outstanding for over thirty days when reported.

- 7) Failure to accurately file contribution reports (c3s) and expenditure reports (c4s) by deadline.

- a. **C4 – 10/18/16 due date, amended 10/24/16.**
The candidate had forwarded an email to the treasurer’s assistant regarding the in-kind contribution of “office rent” the same day that the C4 was due. The treasurer’s assistant had inadvertently missed the email and the C4 was filed without this information. As soon as the omission was discovered the C4 was amended to properly report the in-kind contribution.
- b. **C4 – 11/01/16 due date, reported 11/02/16 – treasurer’s assistant late night filing resulted in the submission to be made slightly after midnight.**
- c. **C4 – 01/10/17 due date, reported 01/12/17 – treasurer’s assistant inadvertent lapse, reported immediately after it was discovered.**

d. C3 – 11/01/16 due date, reported 11/02/16 – treasurer’s assistant late night filing resulted in the submission to be made slightly after midnight.

8) Failure to report last minute contributions.

This was an inadvertent error made by the treasurer’s assistant, and it will not happen in the future.

9) Failure to list Northwest Passage Consulting as an officer.

Northwest Passage Consulting are paid campaign consultants with no decision making responsibility and should not be considered officer(s).

10) Illegal unauthorized expenditure of funds by an individual not listed as an officer on C1.

Same reply as listed above in complaint 9.

11) Potential illegal use of campaign funds for personal purposes.

Cheese Monger’s Table Catering – 07/01/16 - \$250 - Edmonds WA 98020 – Campaign Kick-off

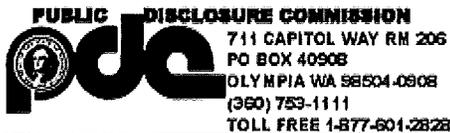
The invoice referenced above from The Cheesemonger’s Table is attached. It lists cheese and charcuterie trays that were prepared for the 2016 Campaign Kick-off party. (SEE ATTACHMENT 3)

12) Failure to acknowledge understanding of RCW 42.52.180

State law requires that incumbents for public office check a box on their F1 acknowledging applicable statutes prohibiting the misuse of public money for campaign purposes.

The box on electronically filed F1 was inadvertently missed. It was filed correctly on April 14, 2015 for the term that begins 1/15 and ends 12/16. (SEE ATTACHMENT 4)

Mr. Peterson understands the state laws prohibiting the misuse of public money for campaign purposes. He will make any clerical correction to the electronic F1 as deemed necessary PDC.



**SUMMARY, FULL REPORT
 RECEIPTS AND
 EXPENDITURES**

C4 (1/12)	PDC OFFICE USE
---------------------	----------------

Candidate or Committee Name (Do not abbreviate. Include full name)
 STROM PETERSON (STROM PETERSON SURPLUS ACCOUNT)

Mailing Address: 110 JAMES ST, SUITE 100
 City: EDMONDS

Zip + 4: 98020
 Office Sought (Candidates): STATE REPRESENTATIVE
 Report Period Covered: 01/01/2017 to 01/31/2017
 Final Report? Yes No

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

RECEIPTS	*See next page	Yes	No	X
1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)				\$36,100.00
2. Cash received (From line 2, Schedule A)				\$0.00
3. In kind contributions received (From line 1, Schedule B)				\$0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3)				\$0.00
5. Loan principal repayments made (From line 2, Schedule L)				\$0.00
6. Corrections (From line 1 or 3, Schedule C) Show + or (-)				\$0.00
7. Net adjustments this period (Combine line 5 & 6) Show + or (-)				\$0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)				\$36,100.00
9. Total pledge payments due (From line 2, Schedule B)				\$0.00

EXPENDITURES				
10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)				\$27,508.00
11. Total cash expenditures (From line 4, Schedule A)				\$0.00
12. In kind expenditures (goods & services) (From line 1, Schedule B)				\$0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)				\$0.00
14. Loan principal repayments made (From line 2, Schedule L)				\$0.00
15. Corrections (From line 2 or 3, Schedule C) Show + or (-)				\$0.00
16. Net adjustments this period (Combine lines 14 & 15) Show + or (-)				\$0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)				\$27,508.00

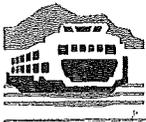
CANDIDATES ONLY	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CASH SUMMARY	
18. Cash on hand (Line 8 minus line 17) [Line 18 should equal your bank account balance(s) plus your petty cash balance.]	\$8,592.00
19. Liabilities: (Sum of loans and debts owed)	\$0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19)	\$8,592.00

Treasurer's Daytime Telephone No.: (425) 640-8660

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date	Treasurer's Signature	Date
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THE BANK OF WASHINGTON

005 00001 02

PAGE: 1

ACCOUNT:

1XXXXX319

07/29/2016



000195

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

<T> 30
0
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EDMONDS BRANCH
202 5TH AVE S
EDMONDS, WASHINGTON 98020

TELEPHONE: 425-776-2265

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

MINIMUM BALANCE	100.00	LAST STATEMENT 07/29/16	.00
AVERAGE BALANCE	100.00	1 CREDITS	100.00
		DEBITS	.00
		THIS STATEMENT 07/29/16	100.00

----- DEPOSITS -----

REF #	DATE	AMOUNT	REF #	DATE	AMOUNT	REF #	DATE	AMOUNT
	07/29	100.00						

----- I N T E R E S T -----

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

*** CONTINUED ***



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THE BANK OF WASHINGTON

005 00001 02

ACCOUNT:

1XXXXX319

PAGE: 1

08/31/2016



000195

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

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MINIMUM BALANCE	100.00	LAST STATEMENT 07/29/16	100.00
AVERAGE BALANCE	4,160.60	1 CREDITS	16,000.00
		2 DEBITS	15,008.00
		THIS STATEMENT 08/31/16	1,092.00

----- OTHER CREDITS -----

DESCRIPTION	DATE	AMOUNT
TELEPHONE TRANSFER	08/03	16,000.00

----- CHECKS -----

CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT
9999 08/10 15,000.00		

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
SERVICE CHARGE	08/31	8.00

----- I N T E R E S T -----

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

*** CONTINUED ***



Z0080005 1

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Strom Peterson Surplus Account 88-838/1261

DATE 4 Aug 16

PAY TO THE ORDER OF HDCC \$ 15,000

Fifteen thousand dollars & 00/100 DOLLARS 


 202 5th AVE S
 EDMONDS, WA 98020
 www.the-bank.com

FOR _____  MP

⑆ 25 108366 ⑆ 0 1 100 1 13 19 ⑆





THE BANK OF WASHINGTON

005 00001 02

PAGE: 1

ACCOUNT:

1XXXXX319

09/30/2016

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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EDMONDS BRANCH
202 5TH AVE S
EDMONDS, WASHINGTON 98020

TELEPHONE: 425-776-2265

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

MINIMUM BALANCE	1,092.00	LAST STATEMENT 08/31/16	1,092.00
AVERAGE BALANCE	1,092.00	CREDITS	.00
		DEBITS	.00
		THIS STATEMENT 09/30/16	1,092.00

----- I N T E R E S T -----

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

*		TOTAL FOR	TOTAL	*	
*		THIS PERIOD	YEAR TO DATE	*	
-----*					
* TOTAL OVERDRAFT FEES:		\$.00		\$.00	*
-----*					
* TOTAL RETURNED ITEM FEES:		\$.00		\$.00	*



FISERV 355-05-1

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THE BANK OF WASHINGTON

005 00001 02
ACCOUNT:

PAGE: 1
1XXXXX319 10/31/2016



000197

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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202 5TH AVE S
EDMONDS, WASHINGTON 98020

TELEPHONE: 425-776-2265

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

		LAST STATEMENT 09/30/16	1,092.00
MINIMUM BALANCE	1,092.00	CREDITS	.00
AVERAGE BALANCE	1,092.00	DEBITS	.00
		THIS STATEMENT 10/31/16	1,092.00

----- I N T E R E S T -----

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

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*****
*                               |          TOTAL FOR          |          TOTAL          *
*                               |        THIS PERIOD        |        YEAR TO DATE        *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
* TOTAL OVERDRAFT FEES:      |          $ .00          |          $ .00          *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|
* TOTAL RETURNED ITEM FEES:  |          $ .00          |          $ .00          *
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005 00001 02

PAGE: 1

ACCOUNT:

1XXXXX319

11/30/2016



000198

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

MINIMUM BALANCE	1,092.00	LAST STATEMENT 10/31/16	1,092.00
AVERAGE BALANCE	1,758.66	1 CREDITS	20,000.00
		DEBITS	.00
		THIS STATEMENT 11/30/16	21,092.00

OTHER CREDITS

DESCRIPTION	DATE	AMOUNT
813896 INTERNET TRANSFER FR BASIC BUSINESS 110011293 11/30/16 AT 14:00	11/30	20,000.00

INTEREST

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

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Z0080005

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PAGE: 1

ACCOUNT:

1XXXXX319

12/30/2016

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

MINIMUM BALANCE	8,592.00	LAST STATEMENT 11/30/16	21,092.00
AVERAGE BALANCE	10,258.66	CREDITS	.00
		1 DEBITS	12,500.00
		THIS STATEMENT 12/30/16	8,592.00

CHECKS

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
1000	12/05	12,500.00						

INTEREST

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

*** CONTINUED ***



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STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

1000
98-836/1251

1 Dec 16 DATE

PAY TO THE
ORDER OF

HDCR

\$ 12,500

Twelve thousand five hundred DOLLARS



202 5th AVE. S.
EDMONDS, WA 98020
www.the-bank.com

[Signature]

⑆ 125108366⑆ 0110011319⑆ 1000

Photo
Safe
Deposit
Details on back

INT



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005 00001 02

PAGE: 1

ACCOUNT:

1XXXXX319

01/31/2017

STROM H PETERSON
DBA FRIENDS OF STROM PETERSON
110 JAMES STREET SUITE 100
EDMONDS WA 98020

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BASIC BUSINESS CHECKING ACCOUNT 1XXXXX319

		LAST STATEMENT 12/30/16	8,592.00
MINIMUM BALANCE	8,592.00	CREDITS	.00
AVERAGE BALANCE	8,592.00	DEBITS	.00
		THIS STATEMENT 01/31/17	8,592.00

----- I N T E R E S T -----

AVERAGE LEDGER BALANCE:	.00	INTEREST EARNED:	.00
INTEREST PAID THIS PERIOD:	.00	DAYS IN PERIOD:	
		ANNUAL PERCENTAGE YIELD EARNED:	.00%

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

*		TOTAL FOR		TOTAL		PREVIOUS	*
*		THIS PERIOD		YEAR TO DATE		YEAR TOTAL	*

* TOTAL OVERDRAFT FEES:		\$.00		\$.00		\$.00	*

* TOTAL RETURNED ITEM FEES:		\$.00		\$.00		\$.00	*



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NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
7/8/2016	9936

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
DESIGN: REMITS	86.25
Vendor: NWP Consulting	
Sales Tax	0.00
Total \$86.25	

NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
7/1/2016	9885

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
RETAINER 1 OF 1 Sales Tax	1,500.00 0.00
<i>Revised 5130 Consulting → 5200 Printing</i>	
Total	\$1,500.00

NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
7/1/2016	9861

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
PRINTING: 2000 pcs Peterson/Ortiz-Self Doorbeller (half cost) Vendor:Overnigt Printing	276.00T
DESIGN: Doorbeller (half cost) Vendor: NWP Consulting	258.00
Sales Tax	0.00
Total	\$534.00

NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
9/13/2016	1610160

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
PRINTING: 500 pcs Remits	475.93T
Vendor: Overnight Printing	
Sales Tax	0.00
Total \$475.93	

NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
10/7/2016	1610249

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
PRINTING: 1,000 pcs Peterson/Ortiz-Self Doorbeller	271.50T
Vendor: Overnight Printing	
Sales Tax	0.00
<i>Reclassified 5190 Postage → 5200 Printing</i>	
Total	\$271.50

NWP Consulting

105 S. Main Street, Ste 332
Seattle, WA 98104

Invoice

Date	Invoice #
11/7/2016	1610532

Bill To
Friends of Strom Peterson 110 James St, Ste 100 Edmonds, WA 98020

Description	Amount
ROBO CALLS 2,634 calls Vendor: Angle Mastagni Mathews Sales Tax	158.04 0.00
<i>Reclassified 5130 Consulting → 5005 Broadcast Adv.</i>	
Total	\$158.04

