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JUN 30 2011

Public Disclosure Commission

**Formal Complaint to the Washington State Public Disclosure Commission
For Complaints Relating to Elected Official or Candidate for Public Office
(If the Sample Complaint Form is Not Used)**

Name of Official or Candidate: MIKE HOPE

Address of Official or Candidate: 528 91st AVE. NE, Ste. E

Official's or Candidate's LAKE STEVENS WA 98528
City State Zip Code

Official's or Candidate's Telephone: 425-397-4943
(Include Area Code)

Official's or Candidate's E-Mail Address: _____
(If known)

Your signature: W L U

Your printed name: William J. Ferrell

Street address: 203 E. 4th Ave., Suite 204

City, state and zip code: Olympia, WA 98501

Telephone number: 360-352-8004

E-Mail Address: (Optional) _____

Date Signed: 6/29/2011

Place Signed (City and County): Olympia Thurston
City County

Complaint: Attach Complaint and Certification

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**Certification for a
Complaint to the Washington State Public Disclosure Commission Relating to an
Elected Official or Candidate for Public Office
(Notary Not Required)**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that the facts set forth in this attached complaint are true and correct.

Your signature: W. F. 11

Your printed name: William Ferris II

Street address: 203 E. 4th Ave., Suite 204

City, state and zip code: Olympia, WA 98501

Telephone number: 360-352-8004

E-Mail Address: (Optional) _____

Date Signed: _____

Place Signed (City and County): Olympia Thurston
City County

*RCW 9A.72.040 provides that: "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

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William T. Ferrell
203 E. 4th Avenue, Suite 204
Olympia, Washington 98501

Phone: 360-352-8004

Fax: 360-570-1006

June 29, 2011

Sent Via US Mail Only

Washington State Public Disclosure Commission
PO Box 40908
Olympia, WA 98504-0908

**RE: Failure by Mike Hope to disclose gifts as required by RCW's 42.17
and 42.52**

Dear Public Disclosure Commission,

The purpose of this letter is to request the PDC investigate a failure on the part of Representative Mike Hope to follow state campaign finance laws by failing to disclose gifts received as required by RCW's 42.17 and 42.52.

Per state law and PDC adopted reporting requirements, as stated in the January 2011 Personal Financial Affairs Instruction Manual, state elected officials who are filing annual personal financial affairs statements must disclose all:

- 1) food and beverages costing over \$50 per occasion,
- 2) travel occasions, or
- 3) seminars, course fees, educational programs or other training that were paid for or otherwise provided, in whole or in part, to the state elected official by any source other than themselves or their own governmental agency.

It is apparent when comparing records of statements made by Mr. Hope and the expenditures of a political committee that he participated in establishing, that Mr. Hope received gifts in the form of paid travel occasions in 2010. However, Mr. Hope failed to disclose these trips, or any other gifts he may have received, as required when submitting his personal financial affairs statement dated 04-07-2011.

While we acknowledge the purpose of Mr. Hope's undisclosed trips was to support a positive change to state law – the ends do not justify his failure to properly disclose his personal financial dealings. More troubling is the track record developing in which Mr. Hope skirts state disclosure and ethics laws.

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Mr. Hope's failure to disclose the source of a gift or funds used to support his political activities as described in this complaint is not an isolated incident. As you are already aware, Mr. Hope has recently formed another grass roots lobbying campaign named 100 Ideas for Washington's Future. There is clear evidence that he is combining his own campaign for public office with the activities of 100 Ideas in a manner that constitutes illegally soliciting and accepting donations that support his campaign for public office during the legislative session freeze, without regard for campaign finance limits and without disclosure.

As an elected representative and a police officer, Mr. Hope is sworn to uphold the law and hold himself to a higher ethical standard. Unfortunately, Mr. Hope's actions do not reflect this standard and it is incumbent upon the PDC to ensure that he do so.

Details of Evidence:

Attachment 1: Personal Financial Affairs Statement for Mike Hope dated April 7, 2011 – *Form includes no "Supplement Part C" as required to disclose any travel occasions paid for by any source other than the elected official or their governing agency.*

Attachment 2: Detailed expenditures for Citizens for the Lakewood Law Enforcement Memorial Act for 2010 – *Expenditure detail shows payment to Alaska Airlines for flights on 09-13, 09-17 and 10-12-2010; and a payment for lodging at the Davenport Hotel in Spokane for 10-12-2010.*

Attachment 3: Facebook comments made by Mr. Hope on October 6 and October 14, 2010 on his reelection campaign Facebook page –

On October 6, Mr. Hope states that he and another person traveled to Eastern Washington in September to meet with the Editorial Board of the Spokane Spokesman Review. Travel date coincides with airline tickets purchased on 09-13 and 09-17-2010 as reported on attachment 2.

On October 14, Mr. Hope states that he "spent the day in Spokane doing television and radio interviews." Travel date coincides with airline ticket and hotel stay purchased on 10-12-2010.

Please be advised that notice is concurrently being delivered to the Attorney General and Snohomish County Prosecutor to commence a 45-day citizen's action with regard to this complaint and the complaint of April 8 pursuant to 42.17.400(4).

Thank you for your prompt attention to, and investigation of, this failure on Mr. Hope's part to follow state campaign finance laws.

Sincerely,

A handwritten signature in black ink, appearing to read "W. T. Ferrell".

William T. Ferrell

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(If the Sample Complaint Form is Not Used)**

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Address of Official or Candidate: 8712 26th Pl NE

Official's or Candidate's LAKE STEVENS WA 98258
City State Zip Code

Official's or Candidate's Telephone: 425-449-2930
(Include Area Code)

Official's or Candidate's E-Mail Address: hope.ms@comcast.net
(If known)

Your signature: W Ferrell

Your printed name: William T. Ferrell

Street address: 203 E. 4th Ave, Suite 204

City, state and zip code: Olympia, WA 98501

Telephone number: 360-352-8004

E-Mail Address: (Optional) Ferrell-bill@hotmail.com

Date Signed: 04/08/2011

Place Signed (City and County): Olympia Thurston
City County

Complaint: Attach Complaint and Certification

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I certify (or declare) under penalty of perjury under the laws of the State of Washington that the facts set forth in this attached complaint are true and correct.

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To Whom It May Concern: Public Disclosure Commission Public Disclosure Commission

We write today to request an immediate investigation into breaches of state campaign finance laws committed as a result of State Representative Mike Hope's role in the creation and sole administration of *100 Ideas for Washington's Future*.

Mr. Hope, (State Representative for the 44th District, announced candidate for Snohomish County Executive and Director of 100 Ideas Washington State), is violating state law in several areas. First, he is combining his own campaign for public office with the activities of 100 Ideas in a manner that constitutes illegally soliciting and accepting donations -- donations that support his campaign for public office during the legislative session freeze -- without regard for campaign finance limits and without disclosure. Second, Mr. Hope has not disclosed donors to 100 Ideas as is required by law of any grassroots lobbying campaign. [1]

Violation: "100 Ideas" a Shield for Illegal Campaign Activities

Across the country, politicians have attempted to create so-called "social welfare" nonprofit corporations in conjunction with campaigns for their own election to circumvent campaign finance limits. The nonprofit serves as an unregulated fundraising branch of the campaign, but the candidate, his official campaign, and the "social welfare" organization function as one entity.

Already, as is evidenced by the attached screenshots of the "Mike Hope for County Executive" Facebook page, Mr. Hope is using the activities of 100 Ideas, its resources, press releases and exposure to support his campaign for elective office. In this way, 100 Ideas is able to act as a Political Action Committee (PAC) in support of Mr. Hope's efforts to run for public office. Without action by the PDC, each dollar that is raised and spent by 100 Ideas will continue to be used to promote Mr. Hope -- the candidate -- without regard for Washington State campaign finance laws. [2]

Mr. Hope believes that his creation of 100 Ideas allows him to cleverly evade the statutory legislative freeze against fundraising, personally solicit and accept anonymous contributions from lobbyists and others, and due to his sole control, he has the ability to move the funds wherever he sees fit without reporting his activities. This includes funding promotional materials, press releases, a website, public meetings, a book and other materials to promote Mr. Hope while he is a candidate for public office. These are the expenditures that are evident - but Hope's lack of disclosure is likely covering up additional purchases

Hope is not the first to attempt to campaign as a non-profit "social welfare organization" as opposed to registering with the PDC as law requires -- political contributions from these sorts of groups has tripled nationwide since 2008.

Consider the dramatic, game-changing impact this practice will have on Washington State politics if left unchecked. A recent Campaign Finance Institute report outlined why the practice of shielding campaign activities with a self-styled non-profit is so advantageous, if illegal:

- *Hope's organization (and many of the those he modeled his after) can pose as a social welfare group, or simply sit on their funds, enjoying protected status until within 60 days*

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out from the election, at which point Hope is allowed to pour his untraceable cash into advertising that supports a particular candidate (for instance: Rep. Mike Hope) as opposed to broader issues.

- *CFI found that a great majority of Hope's kind of 501c4 groups pop up in election years, claiming to support "issues". Yet the report states that a retrospective canvassing of the funding sources involved in diverting money to these efforts acknowledged that the intent is actually to influence "voters" with regard to targeted elections. [6]*

Non-profit status aside, Hope's actions amount to nothing more than a thinly veiled attempt to operate a campaign without public accountability. Presently, Hope is operating a secretive political organization that affords him the ability to walk up to a lobbyist prior to a vote and solicit, accept and even spend political contributions with no disclosure or oversight. He is using 100 Ideas to circumvent the legislative fundraising freeze; to shield and hold untraceable funds; and, using its resources to travel around the state promoting himself *while simultaneously running for public office.*

Either the PDC will recognize that Hope is violating the spirit and letter of the law, or Hope's 100 Ideas is just the first of many more "social welfare" organizations created in Olympia. We respectfully ask the Commission to consider this information with respect to Hope's group in particular – but also the practice in general.

Violation: Unreported Grass Roots Lobbying

Regardless of its status as a de facto PAC in support of his campaign, based on accounts of descriptions of 100 Ideas by Mr. Hope and statements on the 100 Ideas website, ***the organization meets the definition of a grass roots lobbying campaign and should be required to disclose its donors in accordance with RCW 42.17.200.*** Statement of facts as described in accounts by Representative Hope and on the 100 Ideas website (www.100ideaswa.org):

- 100 Ideas is a grassroots political corporation under the direction of Mr. Hope.
- Mr. Hope is the principal organizer of 100 Ideas and will serve as its primary administrative officer. [1]
- Lobbyist employers are included on the 100 Ideas Board. [3]
- The stated primary intent of the organization is to influence legislation and to "change Washington's mindset" by providing a "road map for policy makers" made up of legislative proposals.
- The proposals, in theory, are approved after being "evaluated by Mike Hope" in his capacity as the sole director of 100 Ideas.

Mr. Hope further states that 100 Ideas is actively soliciting and accepting political contributions, intends to hire a political fundraiser, and further will refuse to identify the organizations donors, despite clearly qualifying as a grassroots lobbying campaign:

Mr. Hope has stated that he "won't identify the donors because the law doesn't require a non-profit do so." [3][4]

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As stated in RCW 42.17.200, in order to qualify as a grass roots lobbying campaign, 100 Ideas need only:

- A) Spend more than \$200 within a one-month period or \$500 over three months, and
- B) Present a program addressed to the public and intended primarily to influence legislation. 100 Ideas clearly meets both of these tests.

In an interview with the Everett Herald, Mr. Hope acknowledged having hired Lance Cargill and contracted with Cargill's webmaster to run www.100ideaswa.org on behalf of 100 ideas. Mr. Hope's 100 ideas is, as a result, a nearly exact replica of the website and format began by Cargill in Oklahoma in 2007 while he was a state house member. The purchase of the concept for 100 Ideas, and the employment of its webmaster, would clearly eclipse the \$200 and \$500 exemptions from reporting under 42.17.200.

Hope's 100 Ideas is without doubt designed to produce a "program addressed to the public." 100 Ideas intends to hold public forums both in person and on its website. The intent of the forums as expressed on the site: *Representative Hope and other leaders will travel across the state to change Washington's mindset to look ahead to the long-term future of our state. The proposals generated by this public process will be vetted and approved by Mr. Hope and the 100 Ideas Board. Select ideas, with approval by Mr. Hope, will then be promoted as a part of the 100 Ideas book and available via the entity's website.*

Finally, 100 Ideas is clearly "intended, designed, or calculated primarily to influence legislation." The stated mission of 100 Ideas is the creation of a book filled with proposals approved by Mr. Hope that "will serve as a road map for policy makers." Following the concept as it was implemented in Oklahoma, copies of this "road map" would then be distributed to each legislator and they would be encouraged to adopt its proposals.

Mr. Hope has failed to register 100 Ideas as a grass roots lobbying campaign with the Public Disclosure Commission as outlined in RCW 42.17.200.

Mr. Hope's response to this concern was reported in the Everett Herald on March 27: *No one should worry a lobbyist or corporation might write a large check to his new group in order to gain sway with him, he said.*

Mr. Hope asks that the public simply take on faith that the large checks he receives from lobbyists and those who employ lobbyists will not corrupt his actions. With all due respect to Mr. Hope, this statement reflects a naïve and callous attitude toward our State's ethics and campaign finance laws. Not only is his solicitation and acceptance of contributions illegal, his decision to keep secret those who have given money in support of 100 Ideas flies in the face of the openness that has long been expected of public officials in Washington State.

Considering the magnitude of the violations and the breach of public trust these actions represent, and Mr. Hope's admission of fundraising activities during the legislative session, we respectfully ask for an expedited and thorough investigation. Further detail is provided in the following pages.

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Thank you very much for your attention to this important matter, and please do not hesitate to contact with additional questions or comments.

Respectfully,