



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: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

November 13, 2015

The Honorable Robert Ferguson
Attorney General
1125 Washington St SE
PO Box 40100
Olympia, WA 98504-0100

RE: Washington State Public Disclosure Commission Recommendation Following Staff
Investigation re: Kimberly Lauk, PDC Case No. 15-085

Dear Attorney General Ferguson:

This letter concerns PDC Case 15-085, a public complaint filed with the Public Disclosure Commission by State Senator Pam Roach on September 8, 2015. We understand that a copy of this complaint was also attached to a notice of a 45-day Citizen Action Complaint filed with the Washington Attorney General on September 14, 2015. The complaint we received alleged that Kimberly Lauk violated RCW 42.17A.710 as follows:

- A. **Failed to accurately disclose creditors (Wells Fargo and Reliable Credit).** The complaint alleged that Ms. Lauk failed to disclose creditors from her bankruptcy on her F-1 (Personal Financial Affairs Statement) filed on May 28, 2015.
- B. **Failed to disclose business customer and accurate ownership interest on F-1 Supplement (Kim's Sweet Dream Cakes).** The complaint alleged that Ms. Lauk failed to disclose her business customers and accurate ownership interest in Kim's Sweet Dream Cakes.
- C. **Failed to disclose income (Brandon Lauk [spouse] 401K).** The complaint alleged that Ms. Lauk failed to disclose her spouse's income from his 401K.
- D. **Failed to disclose income (public assistance).** The complaint alleged that Ms. Lauk failed to disclose food stamps her family received during the reporting period of May 2014 through May 2015.

Staff reviewed the complaint and prepared an Executive Summary and Staff Analysis concerning the allegations made against Ms. Lauk. The Commission considered the results of staff's review,

Executive Summary, and Staff Analysis at its regular meeting held October 22, 2015. A copy of the Executive Summary and Staff Analysis is enclosed with this letter.

Staff Findings

As noted in the attached Executive Summary and Staff Analysis, staff found that:

Alleged Failure to Disclose Reportable Information Concerning “Kim’s Sweet Dream Cakes”: Ms. Lauk’s business, Kim’s Sweet Dream Cakes, was a private endeavor that was never registered as a business with the Washington Secretary of State or the Department of Revenue. Ms. Lauk made cakes and cupcakes for friends, family, and social functions, and donated baked goods to organizations. Ms. Lauk has a website for Kim’s Sweet Dream Cakes. However, Ms. Lauk stated that she has been unable to open a business due to the initial expenses involved, and had no income from the activity during the F-1 reporting period.

Alleged Failure to Disclose Reportable Creditor Information: Ms. Lauk filed an amended F-1 on September 17, 2015. Ms. Lauk disclosed two creditors that were over the \$2,400 minimum required for reporting purposes. The two creditors, Reliable Credit and Wells Fargo, listed original debt amounts in value codes “A” (\$1 - \$4,499) and “B” (\$4,500 - \$23,999) respectively. The report indicated that the debts were paid as of the end of the F-1 reporting period.

Alleged Failure to Disclose Income in the form of Public Assistance: Ms. Lauk stated that during the reporting period of May 2014 through May 2015, the value of food stamps she received was well under the \$2,400 minimum required for reporting.

Alleged Failure to Disclose Other Income (Spouse’s 401K): Ms. Lauk’s spouse’s 401(K) plan was not included on her initial F-1 filed on May 28, 2015. However, after Ms. Lauk spoke with PDC staff and understood the reporting requirements, she included her spouse’s 401(K) on the amended F-1 she filed on September 17, 2015. The report indicates that the 401(K) had a value of code “B” (\$4,500 - \$23,999), and that Ms. Lauk’s spouse received no income from the 401(K) during the F-1 reporting period.

Staff Conclusions and Recommendation

Staff concluded that Kimberly Lauk did not violate RCW 42.17A.710 by failing to disclose the following on her May 28, 2015 F-1 report:

- (1) Ownership interest in and customers of Kim’s Sweet Dream Cakes; or
- (2) Income in the form of public assistance.

Staff concluded that Kimberly Lauk substantially complied with RCW 42.17A.710 by amending her May 28, 2015 F-1 filing on September 17, 2015, approximately seven weeks before the November 3, 2015 general election, disclosing the following information:

The Honorable Bob Ferguson
Kimberly Lauk, PDC Case No. 15-085
November 13, 2015
Page 3

- (1) Debts owed to Reliable Credit and Wells Fargo during the F-1 reporting period, and which were paid by the close of the period; and
- (2) The value of her spouse's 401(k) plan, which generated no income during the reporting period.

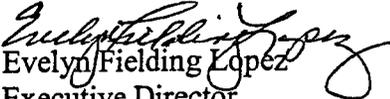
Staff recommended that the Commission dismiss the allegations regarding violations of RCW 42.17A.710 by Kimberly Lauk. Staff also recommended that the Commission recommend to the Washington Attorney General that no further action be taken on the Citizen Action Notice it had received.

Commission Recommendation

The Commission voted unanimously to accept staff's recommendation to and did dismiss the allegations in the complaint filed with the Public Disclosure Commission. Further, the Commission voted unanimously to recommend to the Attorney General that no further action be taken on the Citizen Action Notice filed by Senator Roach with the Attorney General. A copy of the Commission's Order of Dismissal is attached.

If you have questions, please contact me at (360) 664-2735. Thank you.

Sincerely,


Evelyn Fielding Lopez
Executive Director

Enclosures (2)

cc: Commissioners
Linda A. Dalton, Sr. Assistant Attorney General
State Senator Pam Roach
Kimberly Lauk



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November 13, 2015

KIMBERLY LAUK
1316 PORTER STREET
ENUMCLAW WA 98022

Subject: PDC Case No. 15-085 - Final Order of Dismissal

Dear Ms. Lauk:

Enclosed is a copy of the Public Disclosure Commission's Final Order of Dismissal that was entered in the above-referenced case, and information about appeals and enforcement of final orders.

The Order dismisses the allegations against you. If you have questions, please contact me at (360) 586-1042; toll free at (877) 601-2828 or by email at tony.perkins@pdc.wa.gov.

Sincerely,

Tony Perkins
Acting Director of Compliance

Enclosure: (1) Final Order of Dismissal
(2) Information about appeals and enforcement of final orders



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November 13, 2015

pamroach@aol.com

STATE SENATOR PAM ROACH
PO BOX 682
AUBURN WA 98071

Subject: Complaint filed against Kimberly Lauk, PDC Case No. 15-085

Dear Senator Roach:

Public Disclosure Commission (PDC) staff has completed its review of your complaint in PDC Case 15-085, a public complaint filed with the Public Disclosure Commission on September 8, 2015. Staff understands that your complaint was also attached to a separate notice of a 45-day Citizen Action Complaint filed with the Washington Attorney General on September 14, 2015. Following staff's review, the matter was presented to the Washington State Public Disclosure Commission (PDC) during its regular meeting held on October 22, 2015.

Your complaint filed with the PDC alleged that Kimberly Lauk violated RCW 42.17A.710 as follows:

- A. **Failed to accurately disclose creditors (Wells Fargo and Reliable Credit).** The complaint alleged that Ms. Lauk failed to disclose creditors from her bankruptcy on her F-1 (Personal Financial Affairs Statement) filed on May 28, 2015.
- B. **Failed to disclose business customer and accurate ownership interest on F-1 Supplement (Kim's Sweet Dream Cakes).** The complaint alleged that Ms. Lauk failed to disclose her business customers and accurate ownership interest in Kim's Sweet Dream Cakes.
- C. **Failed to disclose income (Brandon Lauk [spouse] 401K).** The complaint alleged that Ms. Lauk failed to disclose her spouse's income from his 401K.
- D. **Failed to disclose income (public assistance).** The complaint alleged that Ms. Lauk failed to disclose food stamps her family received during the reporting period of May 2014 through May 2015.

Staff reviewed the complaint and prepared an Executive Summary and Staff Analysis concerning the allegations made against Ms. Lauk. At the Commission's regular meeting held October 22, 2015, the Commission considered the results of staff's review, Executive Summary, Staff Analysis, and staff's recommendation on the allegations.

As noted in the attached Order of Dismissal, the Commission concluded that Kimberly Lauk did not violate RCW 42.17A.710 by failing to disclose the following on her May 28, 2015 F-1 report:

- (1) Ownership interest in and customers of Kim's Sweet Dream Cakes; or
- (2) Income in the form of public assistance.

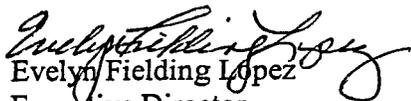
The Commission concluded further that Kimberly Lauk did not violate, and substantially complied with RCW 42.17A.710 by amending her May 28, 2015 F-1 filing on September 17, 2015, approximately seven weeks before the November 3, 2015 general election, disclosing the following information:

- (1) Debts owed to Reliable Credit and Wells Fargo during the F-1 reporting period, and which were paid by the close of the period; and
- (2) The value of her spouse's 401(k) plan, which generated no income during the reporting period.

The Commission voted unanimously to accept staff's recommendation to and did dismiss the allegations in your complaint filed with the Public Disclosure Commission on September 8, 2015. Further, the Commission voted unanimously to recommend to the Attorney General that no further action be taken on the Citizen Action Notice filed with the Attorney General on September 14, 2015. A copy of the Commission's Order of Dismissal is attached.

If you have questions, please contact PDC Acting Director of Compliance at (360) 586-1042; toll free at (877) 601-2828 or by email at tony.perkins@pdc.wa.gov. Thank you.

Sincerely,


Evelyn Fielding Lopez
Executive Director

Enclosure: Order of Dismissal

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6
7 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
8 **OF THE STATE OF WASHINGTON**

9 IN RE COMPLIANCE WITH RCW 42.17A:

10 Kimberly Lauk,

11 Respondent.

PDC CASE NO. 15-085

ORDER OF DISMISSAL

12
13 **I. INTRODUCTION**

14 This matter came before the Washington State Public Disclosure Commission (PDC)
15 during its regular meeting held on October 22, 2015 at the PDC Office, 711 Capitol Way, Room
16 206, Olympia, Washington 98504. Those present included Katrina Asay, PDC Chair; Anne
17 Levinson, PDC Vice-Chair; and PDC Member John Bridges. Senior Assistant Attorney General
18 Linda Dalton represented the Commission. In attendance were Tony Perkins, Acting PDC
19 Director of Compliance; Evelyn Fielding Lopez, PDC Executive Director; and PDC staff
20 member Jana Greer as recorder/reporter of the proceeding. The Respondent was informed of the
21 proceeding, but did not participate in the matter. The proceeding was open to the public and
22 recorded.

23 This case concerns allegations in a public complaint filed with the Public Disclosure
24 Commission by State Senator Pam Roach on September 8, 2015, and filed separately with the
25 Washington Attorney General on September 14, 2015 as a 45-day Citizen Action Complaint
26 under RCW 42.17A.765(4).

1 The complaint alleged that Respondent Kimberly Lauk violated RCW 42.17A.710 as
2 follows:

3 A. By failing to accurately disclose creditors (Wells Fargo and Reliable Credit) from
4 the Respondent's bankruptcy on her F-1 (Personal Financial Affairs Statement) filed on May 28,
5 2015;

6 B. By failing to disclose the Respondent's business customers and accurate
7 ownership interest in Kim's Sweet Dream Cakes;

8 C. By failing to disclose the Respondent's spouse's income from his 401K; and

9 D. By failing to disclose income in the form of public assistance the Respondent's
10 family received during the reporting period of May 2014 through May 2015.

11 The PDC had before it an Executive Summary, Staff Analysis, and exhibits concerning
12 the allegations made against Respondent Kimberly Lauk. Mr. Perkins summarized staff's
13 review of the complaint filed with the PDC on September 8, 2015, and described the PDC Staff
14 recommendation that the Commission dismiss the allegations in the complaint. He further
15 described the PDC Staff recommendation that the Commission recommend to the Attorney
16 General that he take no further action on the Citizen Action Complaint filed with the Washington
17 Attorney General's office on September 14, 2015.

18 The Commission voted unanimously to dismiss the allegations described above and to
19 recommend no further action by the Attorney General with respect to the allegations.

20 The Commission hereby enters the following Findings of Fact, Conclusions of Law, and
21 Order.

22 II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

23 Jurisdiction

24 1. The Commission has jurisdiction to hear this matter as provided in RCW 42.17A.

25 /

26 /

1 **Findings of Fact**

2 1. Respondent Kimberly Lauk is a first time candidate for Enumclaw City Council,
3 position 2.

4 2. On May 28, 2015, the Respondent filed a Personal Financial Affairs Statement
5 (F-1 report) disclosing her personal financial information.

6 3. On September 17, 2015, the Respondent filed an amended F-1 report.

7 4. The complaint alleged that the Respondent failed to disclose creditors from her
8 bankruptcy on her F-1 report filed on May 28, 2015. On her amended F-1 report filed on
9 September 17, 2015, the Respondent disclosed two creditors that were over the \$2,400 minimum
10 required for reporting purposes. The two creditors, Reliable Credit and Wells Fargo, listed
11 original debt amounts in value codes "A" (\$1 - \$4,499) and "B" (\$4,500 - \$23,999) respectively.
12 The report indicated that the debts were paid as of the end of the F-1 reporting period.

13 5. The complaint alleged that the Respondent failed to disclose her business
14 customers and accurate ownership interest in Kim's Sweet Dream Cakes on her F-1 report filed
15 on May 28, 2015. The Respondent's business, Kim's Sweet Dream Cakes, was a private
16 endeavor that was never registered as a business with the Washington Secretary of State or the
17 Department of Revenue. The Respondent stated that she made cakes and cupcakes for friends,
18 family, and social functions, and donated baked goods to organizations. The Respondent has a
19 website for Kim's Sweet Dream Cakes. However, the Respondent stated that had no income
20 from the activity during the F-1 reporting period.

21 6. The complaint alleged that the Respondent failed to disclose her spouse's income
22 from his 401(K) on her F-1 filed on May 28, 2015. The Respondent's spouse's 401(K) plan was
23 not included on her initial F-1 filed on May 28, 2015. However, after the Respondent spoke
24 with PDC staff and understood the reporting requirements, she included her spouse's 401(K) on
25 the amended F-1 she filed on September 17, 2015. The report indicates that the 401(K) had a
26

1 value of code "B" (\$4,500 - \$23,999), and that the Respondent's spouse received no income
2 from the 401(K) during the F-1 reporting period.

3 7. The complaint alleged that on her initial F-1 filed on May 28, 2015, the
4 Respondent failed to disclose food stamps her family received during the reporting period of
5 May 2014 through May 2015. The Respondent stated that during the reporting period of May
6 2014 through May 2015, the value of food stamps she received was well under the \$2,400
7 minimum required for reporting.

8 Conclusions of Law

9 1. RCW 42.17A.700 requires candidates for elective office to file an F-1 Personal
10 Financial Affairs Statement (PDC form F-1) for the preceding twelve months within two weeks
11 of becoming a candidate.

12 2. The contents of the F-1 report are provided by RCW 42.17A.710 and WAC 390-
13 24-301, and include: the sources of \$2,400 or more in compensation received by the filer or
14 members of her immediate family during the reporting period; other assets and investments,
15 including a financial interest of \$2,400 or more held in any retirement plan; creditors to whom
16 \$2,400 or more was owed during the reporting period; and the identities of business customers
17 paying \$12,000 or more to any corporation, partnership, joint venture, association, union, or
18 other entity in which the filer or her immediate family members held any office, directorship, or
19 any general partnership interest, or an ownership interest of ten percent or more during the
20 reporting period.

21 3. Based upon the record herein, the Commission finds that Respondent Kimberly
22 Lauk did not violate RCW 42.17A.710 by failing to disclose the following on her May 28, 2015
23 F-1 report: ownership interest in and customers of Kim's Sweet Dream Cakes; or income in the
24 form of public assistance. Therefore, the Commission concludes that this allegation should be
25 dismissed.

1 4. Based upon the record herein, the Commission finds that Respondent Kimberly
2 Lauk did not violate, and substantially complied with RCW 42.17A.710 by amending her May
3 28, 2015 F-1 filing on September 17, 2015, approximately seven weeks before the November 3,
4 2015 general election, disclosing the following information: debts owed to Reliable Credit and
5 Wells Fargo during the F-1 reporting period, and which were paid by the close of the period; and
6 the value of her spouse's 401(k) plan, which generated no income during the reporting period.
7 Therefore, the Commission concludes that this allegation should be dismissed.

8 III. ORDER OF DISMISSAL

9 By unanimous vote, the Commission dismisses the allegations against the Respondent in
10 the complaint.

11 Pursuant to WAC 390-37-100, the Executive Director is authorized to enter this order on
12 behalf of the Commission.

13 So ORDERED this 13th day of November, 2015.

14 WASHINGTON STATE PUBLIC
15 DISCLOSURE COMMISSION

16 FOR THE COMMISSION:

17 
18 Evelyn Fielding Lopez
Executive Director

19 *ATTACHMENT:*

20 *Appeals and Enforcement of Final Orders*

21 I, Tony Perkins, certify that I mailed a
22 copy of this order to the Respondent/Applicant at
23 his/her respective address postage pre-paid on the date
24 stated herein.

25 NOTICE: RECONSIDERATION

26 PURSUANT TO THE PROVISIONS OF RCW 34.05.470 AND WAC 390-37-150 YOU MAY
FILE A PETITION FOR RECONSIDERATION WITH THE PDC WITHIN TWENTY-ONE
(21) DAYS FROM THE DATE THIS FINAL ORDER IS SERVED UPON YOU. ANY

1 REQUEST FOR RECONSIDERATION MUST STATE THE SPECIFIC GROUNDS FOR
2 THE RELIEF REQUESTED. PETITIONS MUST BE DELIVERED OR MAILED TO THE
3 WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION, 711 CAPITOL WAY,
4 ROOM 206, BOX 40908, OLYMPIA WA 98504-0908.

5
6 NOTICE: PETITION FOR JUDICIAL REVIEW

7 YOU HAVE THE RIGHT TO APPEAL THIS FINAL ORDER TO SUPERIOR COURT,
8 PURSUANT TO THE PETITION FOR JUDICIAL REVIEW PROVISIONS OF RCW
9 34.05.542. ANY PETITION FOR JUDICIAL REVIEW OF THIS FINAL ORDER MUST BE
10 FILED WITH THE COURT AND ALSO SERVED UPON BOTH THE COMMISSION AND
11 THE OFFICE OF THE ATTORNEY GENERAL WITHIN THIRTY (30) DAYS AFTER THE
12 DATE THIS FINAL ORDER IS SERVED UPON YOU.
13

14
15 *Copy of this Order to:*

16 Kimberly Lauk, Respondent
17 State Senator Pam Roach
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