



Smith & Dietrich Law Offices

South Sound Community Lawyers

Smith & Dietrich
Law Offices PLLC

September 1, 2017

Via Electronic Delivery

Members
Walter Smith
Steve Dietrich

Bob Ferguson, Attorney General

judyg@atg.wa.gov

Address

Jon Tunheim, Thurston County Prosecuting Attorney

400 Union Ave. SE
Suite 200
Olympia, WA 98501

tunheij@co.thurston.wa.us

Larry Haskell, Spokane County Prosecuting Attorney

LHaskell@spokanecounty.org

Telephone
(360) 918-7230

Re: *Citizen Action Notice Against State Representative Robert McCaslin*

Dear Attorney General Ferguson and County Prosecuting Attorneys Tunheim and Haskell,

I write to notify you that there is good reason to believe several violations of chapter 42.17A RCW, Washington State's campaign finance law, have been committed by State Representative Robert McCaslin and the Committee to Elect Bob McCaslin, a political committee (the "Respondents"), between 2015 and the present. Please note that, as provided by RCW 42.17A.765(4), if you do not initiate an action against the Respondent within the applicable statutory notice periods for this Citizen Action Notice, I intend to satisfy any applicable notice requirements and proceed with an action in the name of the State. This message is being sent to each of you at the e-mail address you have provided to the Washington State Bar Association to ensure you receive notification of these allegations as required by RCW 42.17A.765(4).

This notice and the attached spreadsheet detail 18 apparent violations of various provisions of Washington's campaign finance law by the Respondents, which took place during their campaign to elect Mr. McCaslin to the Washington House of Representatives for the 4th Legislative District in 2016. The cumulative days late for the apparently untimely reporting included in this notice is 1,046 days. The Respondents have apparently violated chapter 42.17A RCW as follows:

A. Failure to timely file and/or amend Public Disclosure Commission form C-1, C-3, and C-4 reports ("Candidate Registration," "Summary, Full Report Receipts and Expenditures," and "Cash Receipts Monetary Contributions") (15 Apparent Violations)

The Respondents filed a significant volume of late reporting of contributions and expenditures between 2015 and 2017. The attached spreadsheet identifies fifteen apparent violations of the law requiring timely reporting during this period. RCW 42.17A.235, .240. Notably, one report due prior to the November 2016 general election was not filed until after it was over, and form C-1 was filed at least 35 days late (based on the period starting 14 days after receiving the first contributions); reports of pre-form C-1 contributions were also untimely filed. The apparent violations break down as follows:

| | |
|---|---------|
| TOTAL DAYS LATE / REPORTS (2015) | 337 |
| TOTAL DOLLAR VALUE LATE (2015) | \$3,200 |

| | |
|--|------------|
| TOTAL DAYS LATE / REPORTS (2016) | 345 |
| TOTAL DAYS LATE / DEPOSITS (2016) | 38 |
| TOTAL DOLLAR VALUE LATE (2016) | \$5,998.74 |

| | |
|---|-------------------|
| GRAND TOTAL DAYS LATE (2016-17) | 720 |
| GRAND TOTAL DOLLAR VALUES LATE (2016-17) | \$9,198.74 |
| GRAND TOTAL NUMBER OF LATE REPORTS | 15 |

B. Contribution to political committee from candidate’s authorized committee funds (two violations)

By law, “No candidate or authorized committee may transfer funds to any other candidate or other political committee.” RCW 42.17A.430(8). Additionally, a candidate may not make personal use of funds raised for campaign purposes except under certain narrow circumstances. RCW 42.17A.445. On August 31, 2016, the Respondents reported making a prohibited contribution of committee funds from the Committee to Elect Bob McCaslin to HROC (apparently the House Republican Organizational Committee) in the amount of \$10,000. On its face, this expenditure would violate the rules against personal use and the prohibition on transfers from authorized committee funds to political committees.

C. Failure to report expenditure for surplus funds account (one violation)

A candidate may use surplus funds for certain qualifying purposes provided he or she registers and reports the activity as provided by law. RCW 42.17A.430, WAC 390-16-236. On September 13, 2016, the House Republican Organizational Committee reported receiving a contribution of \$10,000 from Respondent Committee to Elect Bob McCaslin’s surplus funds. Respondents’ PDC filings do not reveal reporting for this surplus funds transfer to date.

If Respondents transferred these surplus funds, they were required to report the account’s expenditures on form C-4. Reporting of the form C-4 for the transfer would be due by 10/10/16 (and is 326 days late), but apparently no surplus funds reporting was filed to date.

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I await your position as to whether there is reasonable cause for a civil enforcement action based on these allegations, and whether you will file such an action in the name of the State.

Sincerely,

A handwritten signature in blue ink, appearing to read "Walter M. Smith", is written over a light blue rectangular background.

Walter M. Smith

Enclosures: Microsoft Excel spreadsheet identifying reporting violations

cc: Linda A. Dalton, Senior Counsel, Attorney General's Office (via e-mail)
Public Disclosure Commission staff (via e-mail)

| <u>Number</u> | <u>Report Type</u> | <u>Date Filed</u> | <u>Amd.</u> | <u>Report due</u> | <u>Report days late</u> | <u>C3's: Deposit Due</u> | <u>C3's: Date</u> | <u>C3's: Days late</u> | <u>Amount late</u> |
|---------------|--------------------|-------------------|-------------|-------------------|-------------------------|--------------------------|-------------------|------------------------|--------------------|
| 100666091 | C1 | 10/27/2015 | N | 9/22/2015 | 35 | | | | N/A |
| 100617868 | C3 | 12/11/2015 | N | 9/22/2015 | 80 | | | | 500 |
| 100671869 | C3 | 12/11/2015 | N | 11/10/2015 | 31 | | | | 50 |
| 100671867 | C3 | 12/11/2015 | N | 9/22/2015 | 80 | | | | 700 |
| 100671871 | C3 | 12/11/2015 | N | 11/10/2015 | 31 | | | | 1000 |
| 100671870 | C3 | 12/11/2015 | N | 9/22/2015 | 80 | 9/28/2015 | 10/1/2015 | 3 | 950 |

| | |
|--|---------|
| TOTAL DAYS LATE / REPORTS (2015) | 337.00 |
| TOTAL DAYS LATE / DEPOSITS (2015) | 0.00 |
| TOTAL DOLLAR VALUE LATE (2015) | 3200.00 |

| <u>Number</u> | <u>Report Type</u> | <u>Date Filed</u> | <u>Amd.</u> | <u>Report due</u> | <u>Report days late</u> | <u>(C3's: Deposit date)</u> | <u>(C3's: Due)</u> | <u>C3's: Late</u> | <u>Amount late</u> |
|---------------|--------------------|-------------------|-------------|-------------------|-------------------------|-----------------------------|--------------------|-------------------|--------------------|
| 100709025 | C3 | 7/18/2016 | N | 6/27/2016 | 21 | | | | 1200.00 |
| 100709024 | C3 | 7/18/2016 | N | 6/10/2016 | 38 | | | | 200.00 |
| 100725916 | C3 | 10/12/2016 | N | N/A | 0 | 10/11/2016 | 9/22/2016 | 19 | 1250.00 |
| 100734990 | C3 | 11/10/2016 | N | 11/7/2016 | 3 | | | | 500.00 |
| 100709039 | C4 | 7/18/2016 | N | 5/10/2016 | 69 | | | | 437.90 |
| 100709040 | C4 | 7/18/2016 | N | 6/10/2016 | 38 | | | | 1560.84 |
| 100709022 | C3 | 7/18/2016 | N | 5/10/2016 | 69 | | | | 50 |
| 100709023 | C3 | 7/18/2016 | N | 6/10/2016 | 38 | 5/3/2016 | 4/14/2016 | 19 | 700 |
| 100709021 | C3 | 7/18/2016 | N | 5/10/2016 | 69 | | | | 100 |

| | |
|--|---------|
| TOTAL DAYS LATE / REPORTS (2016) | 345.00 |
| TOTAL DAYS LATE / DEPOSITS (2016) | 38.00 |
| TOTAL DOLLAR VALUE LATE (2016) | 5998.74 |

| | |
|---|---------|
| GRAND TOTAL DAYS LATE (2015-16) | 720.00 |
| GRAND TOTAL DOLLAR VALUES LATE (2015-16) | 9198.74 |
| GRAND TOTAL NUMBER OF LATE REPORTS | 15 |