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September 1, 2017

Via Electronic Delivery

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Re: *Citizen Action Notice Against Spokane County Republican Central Committee*

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

I write you 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 the Spokane County Republican Central Committee, a political committee (the "Respondent"), between 2015 and the present. Please note that, as provided by RCW 42.17A.765(4), in the event that 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 or your employer to ensure you receive notification of these allegations as required by RCW 42.17A.765(4).

This notice and the attached spreadsheet detail fifty-seven apparent violations of various provisions of Washington's campaign finance law by the Respondent. The cumulative days late for the untimely reporting included in this notice is at least 3,613 days as of today. The Respondent has apparently violated chapter 42.17A RCW as follows:

A. Failure to timely file and/or amend Public Disclosure Commission form C-3 and C-4 reports ("Summary, Full Report Receipts and Expenditures" and "Cash Receipts Monetary Contributions") (26 Apparent Violations)

The Respondent filed a significant volume of late reporting of its contributions and expenditures on forms C-3 and C-4 between 2015 and 2017. The attached spreadsheet identifies 26 apparent violations of the law requiring timely reporting of contributions and expenditures during this period. RCW 42.17A.235, .240. Notably, one report due prior to the November 2015 primary election was not filed until after it was over.

The apparent violations break down as follows:

TOTAL DAYS LATE / REPORTS (2015)	45
TOTAL DOLLAR VALUE LATE (2015)	\$63.75

TOTAL DAYS LATE / REPORTS (2016)	518
TOTAL DOLLAR VALUE LATE (2016)	\$56,390.20

TOTAL DAYS LATE / REPORTS (2017)	266
TOTAL DOLLAR VALUE LATE (2017)	\$53,795.98

GRAND TOTAL DAYS LATE (2016-17)	829
GRAND TOTAL DOLLAR VALUES LATE (2016-17)	\$110,249.93
GRAND TOTAL NUMBER OF LATE REPORTS	26

B. Failures to timely report orders, debts, and obligations in Public Disclosure Commission form C-4 reports and Schedule B ("In Kind Contributions, Pledges, Orders, Debts, Obligations") (13 Apparent Violations)

Respondent apparently filed no Schedule B reporting of debts, obligations, or orders from 2015 to the present. This would be appropriate if no orders, debts, or obligations exceeding \$250 in value (or over \$50 in value, and outstanding for over 30 days) were incurred in any given reporting period, but paid in full at a later time. RCW 42.17A.235, .240. It appears, however, that reportable activity occurred, and that various reports of debts, orders, and obligations remain outstanding to date.

In particular, it appears that the following expenditures correspond to unreported orders placed, debts, obligations, and an in-kind loan existing in a prior reporting period. The cumulative lateness for these thirteen outstanding Schedule B reports would be a total of at least 2,784 days as of today, although the delinquency period continues to accrue. The specific instances of apparent violations include the following:

1. *June 3, 2017 Lincoln Day Dinner (Six violations)*. Respondent held its annual Lincoln Day Dinner event on June 3, 2017 at the Davenport Hotel in the city of Spokane. By February 2017, or perhaps earlier, Respondent had apparently reserved the space and lined up as a speaker political commentator Tomi Lahren. See Facebook post dated 2/9/17 (advertising speaker, venue, and date for event); Facebook post dated 1/9/17 (advertisement for Red Carpet Victory Celebration event including teaser that Lincoln Day Dinner speaker would be revealed at the Red Carpet party on February 11). It

appears that an order, debt, or obligation was incurred by February 2017 (or earlier) for the venue rental fee and speaker's fee for the event. But, instead of reporting any such activity on Schedule B between February and May, Respondent reported expenditures of \$2,000 to the Davenport Hotel (dated 3/15/17) for "Lincoln Day Deposit," and \$6,250 to Worldwide Speakers Group (dated 5/16/17) for "2of2 for Lincoln day speaker." The year before, Respondent paid over \$35,000 for the Lincoln Day event space at the same hotel.

As of this writing, Respondent has not reported either the amount paid (or the debt incurred) for the balance of the Lincoln Day event space, nor the amount (or debt carried) for the first of the apparent two payments for Ms. Lahren's speaking services. It appears that significant debts were incurred, and have not been reported to date, perhaps because they have yet to be paid (on the other hand, if the vendors forgave any portion of the debt, that would be a reportable in-kind contribution on Schedule B). In any event, this expenditure activity would be reportable on Schedule B between February 2017 and the present. The delinquency of these apparently unfiled reports is summarized below:

- a. *February 2017 reporting period:* Schedule B due by 3/10/17; 175 days overdue.
 - b. *March 2017 reporting period:* Schedule B due by 4/11/17; 144 days overdue.
 - c. *April 2017 reporting period:* Schedule B due by 5/10/17; 114 days overdue.
 - d. *May 2017 reporting period:* Schedule B due by 6/10/17; 83 days overdue.
 - e. *June 2017 reporting period:* Schedule B due by 7/11/17; 52 days overdue.
 - f. *July 2017 reporting period:* Schedule B due by 7/25/17; 38 days overdue.
2. *February 11, 2017 Red Carpet event (Three violations).* Respondent held a Red Carpet Victory Celebration event on February 11, 2017 at the Lincoln Center in the city of Spokane. As early as January 2017, if not earlier, Respondent had apparently reserved the space and lined up a band. See Facebook post dated 1/9/17 (advertising band, catering, venue, and date for event). It appears that an order, debt, or obligation was incurred by January 2017 (or earlier) for the venue rental fee, catering fee, and band's fee for the event. But, Respondent has not reported an expenditure or in-kind contribution for the venue rental fee for the Red Carpet party, nor were debts, orders, or obligations reported on Schedule B as required by law. Instead, Respondent reported making the following expenditures:
- a. RED ROCK CATERING 2/9/2017 \$5,894.88 (catering services);
 - b. DOUG HEYAMOTO 2/28/2017 \$600.00 (band's services);
 - c. HEATHER STOKES PHOTOGRAPHY 2/9/2017 \$350.00 (photography).

Schedule B was apparently required for January 2017, but Respondent did not report its activity on that form as required by law; that form would be due by February 10, 2017, making it currently 203 days overdue. Additionally, if Respondent either incurred a debt, order, or obligation for renting space at the Lincoln Center which it has carried forward, or received an in-kind donation for that expense, that would be reportable, but no relevant disclosure or amendment has been filed to date to address this line item.

3. *April 30, 2016 Lincoln Day Dinner (Four violations)*. Respondent held its annual Lincoln Day Dinner event on April 30, 2016 at the Davenport Hotel in the city of Spokane. As early as February 2016, Respondent had apparently reserved the space and lined up as a speaker political commentator Dinesh D'Souza. See Facebook post dated 2/1/16 (advertising speaker, venue, and date for event). It appears that an order, debt, or obligation was incurred by February 2017 (or earlier) for the venue rental fee and speaker's fee for the event. But, instead of reporting any such activity on Schedule B between February and April, Respondent reported expenditures of \$2,000 to the Davenport Hotel (dated 2/16/16) for a deposit for the dinner, \$34,675.16 to the Davenport Hotel (dated 4/27/16) for the balance, and \$10,138 spread over two payments to DJD Creative LLC and Had Enough LLC (dated 6/7/16) for Mr. D'Souza's speaker's fee.

As of this writing, Respondent has not reported the debt incurred for the balance of the 2016 Lincoln Day event space, nor the debt carried for Mr. D'Souza's speaking services. The debts would be reportable on Schedule B between February 2016 and when they were apparently retired in June 2016. The delinquency of these apparently unfiled reports is summarized below:

- a. *February 2016 reporting period*: Schedule B due by 3/10/16; 540 days overdue.
- b. *March 2016 reporting period*: Schedule B due by 4/11/16; 508 days overdue.
- c. *April 2016 reporting period*: Schedule B due by 5/10/16; 479 days overdue.
- d. *May 2016 reporting period*: Schedule B due by 6/10/16; 448 days overdue.

C. Concealment of event speaker for 2016-17 Lincoln Day Dinners (Two violations)

In both 2016 and 2017, Facebook postings on Respondent's publicly visible page suggested that a speaker had been lined up for each event by January of the year, but their identities were intentionally withheld at least through the end of January. See attached Facebook posts dated 1/9/17, 1/8/17, and 1/28/16. This was done to create suspense before the speaker was revealed. The Respondent's reports of expenditures and debts, orders, and obligations failed to reveal who was lined up to act as a speaker until significantly later. Under these circumstances, it appears that Respondent may have violated the concealment statute in knowingly withholding reporting of its annual dinner speaker's identity for at least one month (and possibly longer) in both 2016 and 2017. RCW 42.17A.435.

D. Reported acceptance of contributions from candidate authorized committees (16 apparent violations)

The Respondent reported receiving a total of \$2,553.10 in contributions from what are apparently candidate authorized committees on the following sixteen occasions:

- a. COMMITTEE TO ELECT JACQUELIN MAYCUMBER 7/13/2017 \$166.00
- b. COMMITTEE TO ELECT MARY DYE 6/9/2017 \$358.00
- c. COMMITTEE TO ELECT MARY DYE 6/9/2017 \$200.00
- d. COMMITTEE TO ELECT ALBERT MERKEL 6/5/2017 \$200.00
- e. COMMITTEE TO ELECT KEVIN PARKER 9/12/2016 \$354.10
- f. COMMITTEE TO ELECT MATT SHEA 8/22/2016 \$100.00

- g. COMMITTEE TO ELECT JOSH KERNS 7/29/2016 \$200.00
- h. FRIENDS OF DUANE DAVIDSON 7/27/2016 \$50.00
- i. NANCY FOR COUNTY COMMISSIONER 7/23/2016 \$200.00
- j. JAVIER FIGUEROA FOR LT GOVERNOR 7/20/2016 \$150.00
- k. BRIAN DANSEL CAMPAIGN 6/27/2016 \$100.00
- l. COMMITTEE TO ELECT JOEL KRETZ 6/3/2016 \$100.00
- m. CITIZENS FOR KIM WYMAN 6/3/2016 \$125.00
- n. COMMITTEE TO ELECT SHELLY O'QUINN 6/3/2016 \$200.00
- o. HIRE MICHAEL WAITE FOR TREASURER 4/21/2016 \$50.00
- p. PADDEN FOR SENATE 4/21/2016 \$100.00

By law, "No candidate or authorized committee may transfer funds to any other candidate or other political committee." RCW 42.17A.430(8). On their face, these are prohibited contributions. Either the Respondent must now file overdue reporting to reflect that these transactions are not in fact contributions from authorized committees, or it would appear that several violations of section .430(8) have occurred.

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,



Walter M. Smith

Enclosures: Microsoft Excel spreadsheet identifying reporting violations
Facebook posts dated 1/14/16, 1/24/16, 1/18/17

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</u>	<u>Date Filed</u>	<u>Amd.</u>	<u>Report due</u>	<u>Report days late</u>	<u>(C3's: Dep</u>	<u>(C3's: Dep</u>	<u>Amount late</u>
100671934	C4	12/11/2015	Y	10/27/2015	45			63.75

TOTAL DAYS LATE / REPORTS (2015)	45.00
TOTAL DAYS LATE / DEPOSITS (2015)	0.00
TOTAL DOLLAR VALUE LATE (2015)	63.75

<u>Number</u>	<u>Report</u>	<u>Date Filed</u>	<u>Amd.</u>	<u>Report due</u>	<u>Report days late</u>	<u>(C3's: De</u>	<u>(C3's: Depo</u>	<u>Amount late</u>
100705119	C3	7/4/2016	N	6/11/2016	23			15.00
100705229	C3	7/5/2016	N	6/11/2016	24			25.00
100705228	C3	7/5/2016	N	6/11/2016	24			1000.00
100705225	C3	7/5/2016	N	6/11/2016	24			14937.00
100705226	C3	7/5/2016	N	6/11/2016	24			1000.00
100705858	C3	7/6/2016	N	6/6/2016	30			4300.00
100705851	C3	7/6/2016	N	5/10/2016	57			820.00
100705848	C3	7/6/2016	N	6/6/2016	30			300.00
100705850	C3	7/6/2016	N	6/13/2016	23			1350.00
100705849	C3	7/6/2016	N	6/13/2016	23			155.00
100705893	C3	7/6/2016	N	6/6/2016	30			1400.00
100725947	C3	10/13/2016	N	9/19/2016	24			354.10
100735501	C3	11/18/2016	N	11/7/2016	11			465.00
100735500	C3	11/18/2016	N	11/7/2016	11			225.00
100705100	C4	7/4/2016	Y	3/10/2016	116			322.73
100705231	C4	7/5/2016	Y	6/10/2016	25			29625.01
100735548	C4	11/20/2016	Y	11/1/2016	19			96.36

14648.01 exp's; 14977 contrib's

TOTAL DAYS LATE / REPORTS (2016)	518.00
TOTAL DAYS LATE / DEPOSITS (2016)	0.00
TOTAL DOLLAR VALUE LATE (2016)	56390.20

<u>Number</u>	<u>Report</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: De Amount late</u>
100775766	C3	7/17/2017	N	6/12/2017	35		2798.00
100775762	C3	7/17/2017	N	6/26/2017	21		500.00
100775763	C3	7/17/2017	N	6/12/2017	35		350.00
100775764	C3	7/17/2017	N	6/5/2017	42		160.00
100775765	C3	7/17/2017	N	6/12/2017	35		5095.00
100775760	C3	7/17/2017	N	6/19/2017	28		25048.00
100775759	C3	7/17/2017	N	6/12/2017	35		18869.98
100775761	C3	7/17/2017	N	6/12/2017	35		975.00

TOTAL DAYS LATE / REPORTS (2017)	266.00
TOTAL DAYS LATE / DEPOSITS (2017)	0.00
TOTAL DOLLAR VALUE LATE (2017)	53795.98

GRAND TOTAL DAYS LATE (2015-17)	829.00
GRAND TOTAL DAYS LATE / DEPOSIT	0.00
GRAND TOTAL DOLLAR VALUES LAT	110249.93
GRAND TOTAL NUMBER OF LATE RE	26



Spokane County Republican Party

January 28, 2016 · 🌐

SAVE THE DATE!

2016 Lincoln Day Dinner fundraiser for the Spokane GOP

Saturday, April 30

Details will be announced on February 6!





Spokane County Republican Party

February 1, 2016 · Spokane · 🌐

SAVE THE DATE!

The suspense is building as we prepare to announce this year's keynote speaker to the Spokane County Republican Central Committee this Saturday!

#2016LincolnDay





Spokane County Republican Party added an event.

February 1, 2016 · 🌐

2016 Lincoln Day Dinner & Fundraiser for the Spokane GOP with special guest Dinesh D'Souza!



APR 30 **2016 Lincoln Day Dinner & Fundraiser**
Sat 5:00 PM PDT · The Davenport Grand · Spokane
98 people went



Lincoln Day 2017 is set for Saturday, June 3!

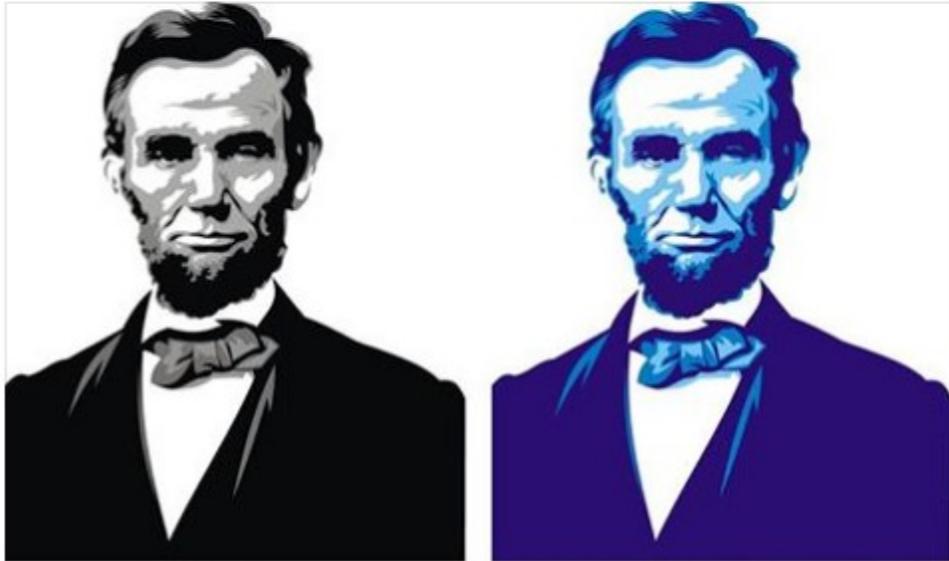
The announcement of our speaker will be made on Saturday, February 11. Stay tuned for details on how you can be the first to know who our keynote speaker will be!

2015: Lt. Col. Allen West

2016: Dinesh D'Souza

2017: ???

Who do you hope we're bringing as our 2017 Lincoln Day speaker?





Spokane County Republican Party added an event.

January 9 · 🌐

Come celebrate our Republican election victories -- from the Presidency and both houses of Congress, to the state and County level!

- Full buffet dinner!
- Dancing!
- Red carpet photos and a photo booth!
- Bid on dessert with your table in our dessert dash!

Doors open at 6 pm

Buffet dinner served at 6:30 pm

Dancing to live music provided by Grand Avenue

Tickets are \$45 per person

Special announcement of the 2017 Lincoln Day speaker will be made... with an early bird ticket discount for Red Carpet attendees!





Spokane County Republican Party added an event.

February 9 · 🌐

2017 Lincoln Day Dinner & Fundraiser for the Spokane County Republican Party, with keynote speaker Tomi Lahren! Tickets on sale Tuesday, February 21.



JUN 3 2017 Lincoln Day Dinner & Fundraiser
Sat 5:00 PM PDT
89 people went

👍 Like 💬 Comment