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Via Electronic Delivery

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Re: *Citizen Action Notice Against Pierce County Councilmember Pam Roach*

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

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 Pierce County Councilmember Pam Roach and Citizens for Pam Roach, a candidate authorized 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 Respondents 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 details thirteen apparent violations that were committed by Respondent Roach's campaign for election to the Pierce County Board of Commissioners in the 2016 general election. The total dollar value of the untimely filed contribution and expenditure reporting, untimely deposited contributions, and the outstanding disclosures of vendors or sub-vendors included in this notice is \$33,678.27, and as of this writing, the cumulative delinquency of all the disclosures included in this complaint is 1,826 days late. In addition to filing untimely reporting and untimely depositing campaign contributions, the Respondents apparently reported certain expenditures as though their campaign's credit card company was the vendor on the transaction. To the extent that other vendors (or sub-vendors) provided the mailing lists and labels, and performed the design, consulting, and printing services for which Respondents paid, those parties must be disclosed. Otherwise, campaigns could avoid disclosing any useful information about their vendors and sub-vendors by simply processing the payment using a credit card.

The Respondent has apparently violated chapter 42.17A RCW as follows:

A. Failures to timely file Public Disclosure Commission form C-4 reports ("Summary, Full Report Receipts and Expenditures") (Two Apparent Violations)

The Respondents apparently failed to timely file two Form C-4 reports required by law to be filed with the Public Disclosure Commission. RCW 42.17A.235 and .240. The total volume of late reported expenditures reported on form C-4 is \$2,381.03, and the total delinquency for the filings is 332 days. The apparent violations occurred on the following dates (bold and underlined dates indicate when Respondent's form C-4 reports were filed):

1. **May 24, 2016**. This report, for October 2015, disclosing \$374.95 in expenditures made and \$4,450 in contributions deposited, was apparently due November 10, 2015, and was 196 days late.
2. **May 25, 2016**. This report, for December 2015, disclosing \$1,006.08 in expenditures made and \$15,800 in contributions deposited, was apparently due January 10, 2016, and was 136 days late.

B. Failures to timely file Public Disclosure Commission form C-3 reports ("Cash Receipts Monetary Contributions") (Five Apparent Violations)

The Respondents apparently failed to timely file five Form C-3 reports required by law to be filed with the Public Disclosure Commission, RCW 42.17A.235 and .240. The total volume of late reported contributions included below is \$7,750, and the total delinquency for these filings is 539 days late. The violations occurred on the following dates (bold and underlined dates indicate when Respondent's form C-3 reports were filed):

1. **October 13, 2015 (two forms C-3, stamped 100661651 and 100661658)**. When Respondents filed their statement of organization on September 3, 2015, designating a "Temporary" treasurer, they were also required by law to report all contributions received and expenditures made prior to the date of filing the statement of organization. RCW 42.17A.235(1). Respondents received \$1,800 in contributions prior to September 3, but only reported the fact in two forms C-3 filed October 13, 2015. These two untimely disclosures were each 40 days late.
2. **May 23, 2016 (three forms C-3)**. The three forms C-3 filed this day disclose a total of \$5,950 in contributions deposited early the previous December; the forms C-3 reporting the same activity were due no later than January 11, 2016. Each of the forms filed May 23, 2016 was at least 133 days late. But the total delinquency should add up to 163 days late for two contributions which were received November 10 and 12, 2015 (form C-3 stamped 100696370); had these amounts been deposited during November 2015 as required by law, they would have been reportable on the form C-3 due December 10, 2015, and they should therefore be considered an additional 30 days late.

C. Deposits held for over five business days (Three Apparent Violations)

A political committee receiving contributions is required to deposit the same within five business days of receipt. RCW 42.17A.220(1). On three occasions, the Respondents untimely deposited contributions as noted below, in violation of the campaign finance law. The total volume of late deposited contributions stated below is \$1,950, and the total deposit delinquency is 70 days late. The failure to timely deposit these contributions apparently contributed to their untimely reporting on form C-3 as noted in **Section B**, above.

1. **December 11, 2015.** A form C-3 filed on this date, showing \$3,350 in contributions (number 100671931) deposited December 7, 2015, included a contribution of \$500 from the Washington State Motorsport Dealer Association received on October 22, 2015. This contribution was due to be deposited by October 29, 2015, five business days after it was received. This amount was not deposited until December 7, 2015, making the deposit 39 days late.
2. **May 23, 2016.** A form C-3 filed on this date showing \$2,100 in contributions (number 100696370) deposited December 4, 2015, included two contributions totaling \$1,450 and received on November 10 and 12, 2015. These contributions were due to be deposited no later than November 19, 2015—five business days after receipt. The amounts were not deposited until December 4, 2015, making the deposits 15 and 16 days late, respectively.

D. Failure to report vendor/sub-vendor receiving campaign expenditures (Three Apparent Violations)

A political committee making expenditures is required to report the vendor paid and, to the extent services are performed by a sub-vendor, the sub-vendor as well. RCW 42.17A.240(6); WAC 390-16-037. On the following occasions, the Respondents apparently failed to report the vendor and/or sub-vendor the campaign paid to perform services for its benefit; the value of the transactions is \$21,597.24 and the apparently delinquent disclosures would be, in total, 885 days late as of this writing.

1. **October 11, 2016 payment to “Visa” of \$1,374.20 for “payment of Labels and Lists invoice.”** A form C-4 filed October 18, 2016 for reporting period September 1 to October 17, 2016 describes an expenditure as stated. Apparently, the campaign identified the credit card it used to pay this expenditure, rather than the vendor and/or sub-vendor actually paid to perform services related to labels and lists. If a vendor or sub-vendor other than “Visa” performed these services, as appears to be the case, then the Respondents must identify the vendor or sub-vendor and state the name and purpose of the expenditures to them. The disclosure of this information was required on the form C-4 due October 18, 2016, and would be at least 318 days overdue as of the date of this writing.
2. **October 31, 2016 obligation to “Chase Cardmember Services” of \$10,111.52 for “design, printing, mail list- 4 flyers.”** A form C-4 filed November 1, 2016 for reporting period October 18 to 31, 2016 describes in Schedule B an obligation as stated. Apparently, the campaign identified the credit card it used to order this service, rather than the vendor and/or sub-vendor actually paid to perform services related to design, printing, and the mailing list for four flyers. If a vendor or sub-vendor other than “Chase Cardmember Services” performed these services, as appears to be the case, then the Respondents must identify the vendor or sub-vendor and state the name and purpose of the expenditures to them. The disclosure of this information was required on the form C-4 due November 1, 2016, prior to the general election, and would be at least 304 days overdue as of the date of this writing.

3. **November 4, 2016 payment to “Chase Cardmember Services” of \$10,111.52 for “GPT/FAA consulting service, printing, design, voters lists.”** A form C-4 filed December 12, 2016 for reporting period of November 2016 describes an expenditure as stated. Apparently, the campaign identified the credit card it used to pay this expenditure, rather than the vendor(s) and/or sub-vendor(s) actually paid to perform services related to consulting, printing, and design of campaign materials. If a vendor or sub-vendor other than “Chase Cardmember Services” performed these services, then the Respondent must identify the vendor or sub-vendor and state the name and purpose of the expenditures to them. The disclosure of this information was required on the form C-4 due December 12, 2016, and would be at least 263 days overdue as of the date of this writing.

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

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