



# Smith & Dietrich Law Offices

## South Sound Community Lawyers

Smith & Dietrich  
Law Offices PLLC

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*Via Electronic Delivery*

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Re: *Citizen Action Notice Against State Representative Bruce Chandler*

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

I write to notify you that there is good reason to believe violations of chapter 42.17A RCW, Washington State's campaign finance law, have been committed by State Representative Bruce Chandler and the Bruce Chandler Campaign, 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 six or more apparent violations of various provisions of Washington's campaign finance law by the Respondents, which took place during their campaign to elect Mr. Chandler to the Washington House of Representatives for the 15<sup>th</sup> Legislative District in 2016. The cumulative lateness for the untimely reporting summarized in this notice would be at least 2,218 days late as of today. The Respondents have apparently violated chapter 42.17A RCW as follows:

**A. Personal use of candidate's authorized committee funds and unauthorized transfer to political committee (2 violations)**

By law, a candidate may not make personal use of funds raised for campaign purposes except under certain narrow circumstances. RCW 42.17A.445. Contributions to political committees are not permitted from authorized committee funds although they may be made using surplus funds. RCW 42.17A.430(8). On September 13, 2016, the House Republican Organizational Committee reported receiving a contribution of \$60,000 from Respondent Bruce Chandler Campaign's surplus funds. However, the Respondent Committee did not report making such a transfer from surplus funds. If the Committee transferred funds directly from its campaign moneys to the HROC, then it would appear

this was a violation of the prohibition on personal use of campaign funds, and an unlawful transfer to another committee.

**B. Failure to report expenditure for surplus funds account (1 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 \$60,000 from Respondent Bruce Chandler Campaign'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.

**C. 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") (Unknown Number of Violations [at least five])**

The Respondents filed no reporting of their contributions and expenditures for the 2016 election year on forms C-3 and C-4 to date. By law, these regular reports of contributions and expenditures would be due throughout the 2016 election cycle. RCW 42.17A.235, .240. Respondents indicated their election to comply with full reporting in form C-1 filed, and amended, on June 6, 2016. PDC reports 100698949, 100698947. According to the Secretary of State, there are 58,642 registered voters in the 15<sup>th</sup> Legislative District, meaning that full reporting requirements are not waived under RCW 42.17A.135(1) or .200. It appears that an unknown number of legally required reports of contributions and expenditures remain outstanding well after the conclusion of the 2016 general election. At a minimum, the candidate presumably paid a filing fee reportable as an expenditure in May 2016, and owed form C-4 for the May reporting period (due June 6, 2016, and currently 452 days late), as well as the two mandatory pre-primary reports (due July 12 and 26, 2016, and currently 818 days late) and the two mandatory pre-general election reports (due October 18 and November 1, 2016, and currently 622 days late) on form C-4.

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)