

**1) Failure to timely file C3 & C4 reports on day C1 is filed. (Violation of RCW 42.17A.235(1))**

State law requires that candidates and committees submit reports containing all contributions received and expenditures made on the same day they submit their statement of registration (C1).

Unfortunately, despite having paid for her website domain on 3/3/2017, Parshley failed to file a C4 report. Parshley has still not reported the purchase of the website domain, or the creation of the website as an in-kind contribution or expenditure. (see attached)

**Lisa Parshley filed for office on 03/09/17. The reporting deadline was the next day. Her treasurer filed a C4 report using the standard guidelines.**

**The domain cost was \$24.95. Expenses are not being itemized, so any expenditures under \$50 won't show on the C4 – they'll simply appear in the "Expenses of \$50 or less" total on the schedule A, which it does.**

**The website creation is not an "in-kind contribution." It's a task of the campaign manager. There is nothing to report. The monthly fee for the site is \$29, which has been accurately reported each month.**

**2) Failure to timely file accurate, timely C3 and C4 reports. (Violation of RCW 42.17A.235)**

State law requires that candidates and committees file frequent, accurate reports of contributions, expenditures, in-kind contributions, and debt. Unfortunately, Parshley failed on numerous occasions to do this. (See Attachments Exhibit A: Illegally Late Reported/Deposited Contributions, Exhibit B: Illegally Late Reported Expenditures.)

**Exhibit A**

**The 04/10/17 C3 report was made in a timely manner. The online deposit was a few days late simply because the campaign treasurer – who has never worked on a campaign or been a campaign treasurer – did not know that PayPal didn't automatically send contributions to the bank for deposit. Each "late" contribution is from the campaign's first PayPal deposit. It hasn't happened since the initial report.**

**Exhibit B**

- 1. Expenses of \$50 or less** – additional receipts in the amount of \$26.90 were found and reported. (\$78.90 was reported on time and correctly.)
- 2. Abigail Stuart House, rental deposit** – 04/10/17 report amended once it was discovered that this expense wasn't originally reported.
- 3. Abigail Stuart House, rent for kickoff** – reported on time and correctly.
- 4. Expenses of \$50 or less** – additional receipts totaling \$96.08 were found and reported. (\$92.59 was reported on time and correctly.)
- 5. Rob Richards** – duplicate entry deleted. No reporting error made.
- 6. Capitol City Press, envelopes** – reported on time and correctly.
- 7. Capitol City Press, signs** – reported on time and correctly.
- 8. Jacknut Apparel, signs** – reported on time and correctly.
- 9. Expenses of \$50 or less** – an additional receipt in the amount of \$4.95 was found and reported. (\$374.96 was reported on time and correctly.)
- 10. Olympia Copy & Print, printing** – reported on time and correctly.

11. **Washington State Democrats, votebuilder** – reported on time and correctly.
12. **Rob Richards, campaign management** – reported on time and correctly (recently amended, however, to reflect payment of debt rather than basic expenditure).
13. **Capitol City Press** – reported on time and correctly.
14. **Olympia Coffee Roasters** – reported on time and correctly.
15. **Capital Lakefair** – reported on time and correctly.
16. **Danielle Westbrook, Capitol City Press** – reported on time and correctly.

**3) Failure to report occupation and employer information for donors over \$100. (Violation of RCW 42.17A.240, WAC 390-16-037)**

Washington's campaign finance law requires a campaign to timely report contributions received. The information required to be disclosed includes the name and address of the source of contributions that exceed \$25 in the aggregate, and the employer and occupation of any individual contributor giving more than \$100 in the aggregate. Unfortunately, Parshley failed to include this information for the following contributions: DANIELS RODNEY 250. 3/13/2017 \$250.00 P OLYMPIA WA 98501

**Address and employer info was requested back in March and again on 08/21/17. A representative for Mr. Daniels responded on 09/10/17. As soon as the campaign had complete information, the reports were amended and refiled.**

**4) Failure to accurately, timely report debt. (Violation of RCW 42.17A.240 (8), see WAC 390-05-295)**

State law requires that the name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days. Per **WAC 390-05-295**, this includes any oral or written order placed, debt or obligation to purchase goods or services or anything of value, or any offer to purchase advertising space, broadcast time or other advertising related product or service.

Parshley failed to illegally report the following debts on preceding C4s: (See **Attachment C: Illegal Failure to Report Debt.**)

## **Exhibit C**

1. **Capitol City Press** - The invoice was received in the same reporting period as the debt was incurred. No reporting of debt was necessary.
2. **The Mailbox** - The invoice was received in the same reporting period as the debt was incurred. No reporting of debt was necessary.
3. **Capitol City Press** - This was reported as debt as soon as it was incurred.
4. **Jacknut Apparel** - The invoice was received in the same reporting period as the debt was incurred. No reporting of debt was necessary.
5. **Rob Richards** – This issue has been corrected. All reports have been amended to reflect the debt and payments towards the debt.
6. **Abigail Stuart House** - The kickoff party was in April. The invoice was paid in March. It was reported during the correct period.
7. **Capitol City Press** - The invoice was received in the same reporting period as the debt was incurred. No reporting of debt was necessary.
8. **Rob Richards** - This issue has been corrected. All reports have been amended to reflect the debt and payments towards the debt.

9. **Rob Richards** - This issue has been corrected. All reports have been amended to reflect the debt and payments towards the debt.
10. **Rob Richards** - This issue has been corrected. All reports have been amended to reflect the debt and payments towards the debt.
11. **Rob Richards** - This issue has been corrected. All reports have been amended to reflect the debt and payments towards the debt.
12. **Unlisted** – not sure what this means.

In addition to this list of debts illegally not reported there was another likely debt related to Parshley's hiring of Danielle Westbrook as a consultant who provides services at a market cost (See link of Westbrook consulting fees paid by candidates:<http://web.pdc.wa.gov/MvcQuerySystem/AdvancedSearch/ExpendituresDataspender=ALL&electionYear=ALL&dateFrom=&dateThru=&amountFrom=&amountThru=&committeeType=IGNORE&city=&state=&zip=&vendor=westbrook&description=>) Parshley is not reporting receipt of these services from Westbrook as a debt or in-kind contribution subject to limits. On information and belief, this is most accurately reported as debt.

**I am deputy treasurer for the Parshley campaign. This is an unpaid, volunteer, ministerial position.**

**5) Failure to properly break down expenses. (Violation of RCW 42.17A.235, see WAC 390-16-205)**

State law requires that expenditures made on behalf of a candidate or political committee by any person, agency, firm, organization, etc. employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or committee's efforts shall be deemed expenditures by the candidate or committee. In accordance with **WAC 390-16-037**, such expenditures shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly.

Parshley illegally failed to break down the following expenses: (See **Attachment D: Illegal Failure to Breakdown Expenditures**)

**Exhibit D**

1. **Capitol City Press** – not reported in error. There is no obvious way to report more detail when reporting a debt. Detail has been reported elsewhere.
2. **Resolved** – report amended (3874 addresses purchased as opposed to 3874 address, which was the exact text listed on the invoice).
3. **Rob Richards** – this is a 5% fundraising bonus for campaign management. The description on the report is accurate.

**6) Failure to report expenditure/in-kind contributions. (Violation of RCW 42.17A.235)**

**a) Professional Photography, Videography.**

Parshley failed to report expenditures/in-kind contribution for professional photography. You can find examples of this professional photography here: <http://www.lisaforolympia.com/>

You can find an example of the professional video here campaign produced here: <https://www.facebook.com/LisaForOlympia/videos/1928611694084626/>

The source (and value) of these pieces of professional photography and videography must be reported.

**The photography and videography were done by volunteers. The photographer is not a professional and does not receive compensation for his work. The videographer is a state employee and does work outside of his government job**

**on a volunteer basis only. If required, we'll be happy to report his work as an in-kind contribution with guidance on how best to perform the calculation.**

**b) PO Box.**

On her C1 Parshley lists 120 State Ave #113, in Olympia as her Committee's mailing address. The purchase cost of this PO Box is required to have been listed as an in-kind contribution from the person who purchased it for the campaign. Unfortunately, this has not happened.

**The PO Box wasn't purchased for the campaign. It is the candidate's business PO Box that receives mail on behalf of the campaign. If an in-kind contribution is required, please give guidance in how to make an accurate calculation.**

**c) Filing Fee.**

Parshley failed to list her filing fee as an in-kind contribution to her own campaign.

Because the filing fee was a campaign-related expense, it must have been reported to the public. This is clearly required by state law.

In fact, Attorney General Slade Gorton rendered an official AG opinion on this exact matter in 1974, when he wrote, in part:

"In simplest terms, this payment (in those cases in which it is required) is a necessary part of the candidate's financial outlay if he is to have his name appear on the ballot and, in that manner, become eligible to be elected to the office he is seeking. Moreover, the payment is very clearly a transfer of something of value and it cannot be doubted that it is for the purpose of assisting the candidate and furthering his election campaign. Payment of the filing fee is thus precisely within the broad definition of "expenditure" as set forth above." -- AGO 1974 No. 16 - July 29, 1974

**Ms. Parshley was under the impression that the filing fee was a personal expense, not a campaign expenditure. The report has since been amended and refiled.**

**7) Failure to list Danielle Westbrook as a committee officer. (Violation of RCW 42.17A.205 (2)(c), see WAC 390-05-245.**

Parshley failed to list Westbrook as an officer, which is required by RCW 42.17A.205(2)(c). On information and belief, Westbrook is the consultant for Parshley's campaign.

I believe that Parshley should have been listed her as a committee officer, because Westbrook, in conjunction with others, made, directed, or authorized expenditures, strategic or policy decisions on behalf of the committee.

**WAC 390-05-245** defines committee officer as: "...any person designated by the committee as an officer on the C-1 or C-1pc registration statement and any **person** who alone or in conjunction with other persons makes, directs, or authorizes contribution, expenditure, strategic or policy decisions on behalf of the committee" . Please note that **RCW 42.17A.005 (35)** defines "person" as: "...an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized."

**The C1 was amended to reflect my role as deputy treasurer on 08/14/17, a full week prior to Mr. Morgan's complaint being filed. Again, I am not Ms. Parshley's consultant. I am the volunteer deputy treasurer for the campaign, which is an unpaid, ministerial position.**

**8) Illegal unauthorized expenditure of funds by an individual not listed as an officer on C-1 form. (Violation of RCW 42.17A.425)**

State law requires that: "No expenditures may be made or incurred by any candidate or political

committee unless authorized by the candidate or the person or persons named on the candidate's or committee's registration form..."

Despite doing most of the ordering for mail projects for the Parshley campaign, Danielle Westbrook did not appear as an officer on Parshley's C1 form.

**I have done no "ordering" for this campaign. Rob Richards, campaign manager, attempted to pay for the mail project using the campaign credit card, and it was declined. As Ms. Parshley was performing a surgery at the time, Mr. Richards called me for advice (this was before I was deputy treasurer). I offered to use my own credit card for payment and did so at the request of a campaign officer.**

**9) Failure to timely submit accurate F1. (Violation of RCW 42.17A.700, .710)**

Parshley failed to submit an F1 containing all the information required by state law until August 14<sup>th</sup>, 2017. This is well past the statutory 2 week deadline from when she started her campaign.

**The F1 was filed on time. Unfortunately, there were errors and the PDC didn't accept the filing. Once all errors were corrected, the F1 was resubmitted. Ms. Parshley and her treasurer were in communication with the PDC at all times.**

The PDC should investigate the possibility that Parshley committed the above violations maliciously, which would be a class C felony per **RCW 42.17A.750 (2)(c)**. If the PDC determines that is the case, they should refer the case to the Attorney General's office for criminal prosecution immediately. Please don't hesitate to contact me if you need any additional information.

**Nothing was done maliciously or egregiously. All reports filed and expenditures made were done so in good faith. All efforts were made to comply with the law. All reports have been amended, if necessary, to correct any errors made. If additional reports need to be amended, we will happily do so.**