

October 13, 2009

Public Disclosure Commission  
PO Box 40908  
Olympia, WA 98504

Dear Public Disclosure Commission:

Please accept this complaint against candidate for King County Executive, Susan Hutchison.

Below, I have attached evidence from Susan's own reports and back up documentation that details her 81 violations of RCW 42.17 and WAC Title 390. Because her treasurer, Colleen Morse (CAM Consulting) is a professional treasurer with over 50 clients filed with the PDC, it is clear that these violations are not simply accounting errors, but flagrant attempts to skirt the law. A few oversights here and there are understandable in a busy election season; however 81 violations is clearly evidence of actual malice.

The most troubling of the violations are: the missing campaign HQ rent for 5 months to the tune of at least \$10,000-\$20,000 in fair market value rent, the omission of nearly \$20,000 in expenses from Ms. Hutchison's pre-primary C4 and filing for office 21 days late.

I would like to request that the Public Disclosure Commission give this complaint its highest priority as the public's and media's right to accurate, complete and timely information this election season is being seriously subverted by Ms. Hutchison's continued illegal activities.

Sincerely,

--original signed by

Suzie Sheary  
Chair, King County Democrats

Violation of RCW 42.17.040 - Filed for Office 21 Days Late.

Ms. Hutchison clearly expended money on 3/17/09 to run for office, but did not file for office until 4/21 - over a month later. According to the PDC Local Candidate Manual, a person becomes a candidate for office when they do one of the following:

- makes campaign-related expenditures;
- receives contributions;
- reserves space or purchases advertising to promote his or her candidacy;
- authorizes someone else to do any of these activities on his or her behalf;
- states publicly that he or she is seeking office (even if the candidacy is conditioned on some future occurrence, like receiving endorsements or raising a certain amount of money); or
- files for office.

There is no stated dollar amount what would consider Ms. Hutchison a candidate. In this case, a simple domain name purchased in Ms. Hutchison's campaign name would count as "makes campaign-related expenditures." As you can see from the screenshot below from a WHOIS internet search (also attached as Attachment #1), "Susan for Exec" purchased a domain name on 3/17/09. This would require a C1 to have been filed by 3/31 in order to stay legal. Again, her C1 was received by the PDC on 4/21/09 – 3 weeks late.

Please note: the registrant of the domain name is specified in the "registrant" field. In most cases, GoDaddy.com, Inc. is not the registrant of domain names listed in this database.

Registrant:

Susan for Exec  
4102 55th AVE NE  
Seattle, wa 98015  
United States

Registered through: GoDaddy.com, Inc. (<http://www.godaddy.com>)

Domain Name: SUSANHUTCHISON.COM

Created on: 17-Mar-09

Expires on: 17-Mar-12

Last Updated on: 02-Oct-09

Administrative Contact:

Hutchison, Susan susan4exec@gmail.com  
Susan for Exec  
4102 55th AVE NE  
Seattle, wa 98015  
United States  
2067198558 Fax --

Technical Contact:

Hutchison, Susan susan4exec@gmail.com  
Susan for Exec  
4102 55th AVE NE  
Seattle, wa 98015  
United States  
2067198558 Fax --

Domain servers in listed order:

NS1.NAKEA.NET  
NS2.NAKEA.NET

Search

#### Violation of RCW 42.17.050 1(a) and (5)– Failure to State Treasurer on C1

According to RCW 42.17.050 1(a), a candidate’s statement of organization must include a treasurer. On Ms. Hutchison’s late 4/21 C1 form, there is no treasurer listed, despite her campaign receiving and expending contributions during this period. It is not until her 5/6 Amended C1 does she list a treasurer. From RCW 42.17.050 1(a):

“(1) Each candidate, within two weeks after becoming a candidate, and each political committee, at the time it is required to file a statement of organization, shall designate and file with the commission and the appropriate county elections officer the names and addresses of:

(a) One legally competent individual, who may be the candidate, to serve as a treasurer; and”

Because RCW 42.17.070 states that no expenditure will be made or incurred without the candidate or the person authorized on the committee’s C1 form. Therefore, if there truly were no treasurer on the campaign between the first expenditure on 3/17 and the amended C1 on 5/6, Susan Hutchison, the candidate should have been listed on the C1 as the treasurer.

There are other items she failed to list on her C1, such as Committee Officers required who authorize expenditures on her behalf, but from her reports, it would appear that would be Dresner Wicker Associates.

#### Violation of RCW 42.17.040 2(i) – Still No Open Books Inspection Address

Adding to the incompleteness of her C1, neither of Ms Hutchison’s C1 forms (see Attachments #3 and #4) contain an address for the open books inspection period. This is a violation of RCW 42.17.040 2(i) as it states:

“(2) The statement of organization shall include but not be limited to:  
The street address of the place and the hours during which the committee will make available for public inspection its books of account and all reports filed in accordance with RCW 42.17.080;”

#### 11 Violations of RCW 42.17.060 – Late Deposits

On Ms. Hutchison’s following C3s, contributions were received more than 5 business days from the date of deposit. Each instance is a violation of RCW 42.17.060:

4/20 C3 for \$7550 – Michael Jackson donation of \$100 received on 4/9 – 6 days outside the 5 business day window. It’s important to note that this report has been amended twice since its initial filing, so it could not be a simple data entry error. (Attachment #6)

4/22 C3 for \$7150 –William Redkey donation of \$125 received on 4/14 – 1 day outside 5 business day window. This report too was amended twice, so it could not be a simple data entry error. (Attachment #7)

4/22 C3 for \$7150 – Susan Redkey donation of \$125 received on 4/14 – 1 day outside 5 business day window. This report too was amended twice, so it could not be a simple data entry error. (Attachment #7)

5/31 C3 for \$15025 – Paul Odom contribution of \$1600 received on 5/7 – 17 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Fawn Spady contribution of \$1000 received on 5/8 – 16 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Robert Wallace contribution of \$1000 received on 5/8 – 16 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Mary Odermat contribution of \$1600 received on 5/8 – 16 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Paul Clark contribution of \$100 received on 5/14 – 10 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Julie Watterson contribution of \$100 received on 5/14 – 10 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – John Nordstrom contribution of \$800 received on 5/14 – 10 days outside the 5 business day window. (Attachment #9)

5/31 C3 for \$15025 – Sally Nordstrom contribution of \$800 received on 5/14 – 10 days outside the 5 business day window. (Attachment #9)

#### 10 Violations of RCW 42.17.080 (1) and 42.17.080 (3) - Late C3 and C4 reports

Ms. Hutchison's campaign has a problem filing compliance reports on time. Below are the several examples of the late filings and the total number of days those reports are considered late.

Initial C1 – should have been filed on 3/31 instead of 4/28 after campaign expense to GoDaddy was made on 3/17 = 21 days late. (attachment #1)

Weekly C3s began on 6/1. That means that any deposits from 6/1 thru 6/7 were to have been reported on 6/8. Ms Hutchison had two deposits on 6/5 that were not reported until 6/12. The first is 6/5 deposit of \$6500. Was to have been reported on 6/8 but was filed on 6/12 = 4 days late. (Attachment #12)

Another weekly C3 that was late was the 6/5 deposit of \$4951, which was also due on 6/8 but wasn't filed until 6/12 = 4 days late. (Attachment #11)

7/17 deposit of \$8475 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #16)

7/17 deposit of \$10,725 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #17)

7/17 deposit of \$1700 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #18)

7/17 deposit of \$4680 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #19)

7/17 deposit of \$5440 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #20)

7/19 deposit of \$125 should have been filed on 7/20 but was filed on 7/21 = 1 day late. (Attachment #21)

8/20 deposit of \$259.21 should have been filed on 8/24 but was filed on 9/7 = 14 days late. (Attachment #25)

## 14 Violations of RCW 42.17.090 (h) - Failure to Report Orders Placed, Debts and Obligations

On nearly every single one of Ms. Hutchison's C4 reports, she fails to provide the public and media with an accurate reflection of how much she owes in terms of orders she has placed and obligations she has made to other vendors of the campaign. RCW 42.17.090 (h) and the PDC Local Candidate Manual are very clear on this. Additionally, the PDC sends reminder emails to treasurers reminding them to detail these on their C4 forms. This appears to be a flagrant disregard to the law because Ms. Hutchison's 6/1 – 7/27 C4 report HAS debts/obligations on it. No other report does, including the 7-day pre-primary report, a report that frequently has debts/obligations listed.

From the PDC Local Candidate Manual:

“Since one of the purposes of campaign disclosure reporting is to show how the campaign dollars are spent, your reports would be incomplete without including those debts the campaign is obligated to pay but, for whatever reason, has not as yet.

In Part 3 of Schedule B, you'll list each order placed (but not yet paid), debt or other obligation (except loans) that has an actual or estimated cost of over \$250. You'll also include other debts (except loans) if their actual or estimated cost is over \$50 and the debt has been outstanding for more than 30 days.

Some of these instances are clearly violations. Others appears so close to the beginning of a new reporting period, it is hard to argue that they shouldn't be included on the previous reporting period's C4. I have made notations of each. Each occurrence is a violation of RCW 42.17.090 (h). Below is the list of each violation:

5/11 expense of \$7300 to Global Marketing Research for “telephone interviews account balance”. Since a similar expense appeared on Ms Hutchison's previous report on 4/27 for the exact same amount, it's clear that she paid half before the end of the month and half at the beginning of the following month. However, she would still be obligated to report the 2nd payment as a debt/obligation on a Schedule B. It doesn't appear on her April C4. (See Attachment #2 and Attachment #8)

6/4 expense of \$3056 to Dresner Wickers Associates for “print push card/mailhouse fee”. Clearly, this work was underway by the end of May and should have been reported on the May C4 report. It does not appear as a debt/obligation on the May C4. (See Attachment #8 and #10)

6/4 expense of \$1075 to Dresner Wickers Associates for “artwork design”. This is presumably for the push card Ms Hutchison purchased. However, this work was clearly obligated to the campaign in May, so it should appear on her May C4 form. It does not (See Attachment #8 and #10).

6/4 expense of \$729 to Dresner Wickers Associates for “communications commission”. It's reasonable to assume this obligation accrued during the month of May since it's payment is so close to the beginning of the month. (See Attachment #8 and #10)

6/4 expense of \$3250 to Dresner Wickers Associates for \$3250 for “monthly retainer communications consult fee”. This payment also was paid very close to the beginning of a reporting period, so it is safe to assume this was a May obligation that Ms. Hutchison again failed to report. (See Attachment #8 and #10)

6/11 expense of \$5000 to Peggy O'Ban for “finance director consult fee.” Typically, this could be a midmonth accrual and no debt/obligation reporting required. However, two weeks later, she receives another \$5000 payment for the same reason. It is clear the 6/11 expense was a may consulting fee and should have been reported as a debt/obligation on the May C4. Incidentally, she also only receives one \$5000 payment in July and August. (See Attachment #8 and #10)

On 7/24 there were three debts/obligations reported on a Schedule B that do not correlate with a subsequent expenses on the 7/28 thru 8/10 report. The first is a 7/24 debt/obligation to Dresner, Wickers & Associates for \$13,365 for "printing and mailhouse fee". This does not appear as an expense on either the 7/28 – 8/10 C4 or the 8/10 thru 8/31 C4 report. (See Attachment #10, Attachment #22, Attachment #24). There were similar payments on 8/10 to Dresner, Wickers Associates but they are significantly less than the reported debt/obligation. Is this an inkind to the campaign from Dresner, Wickers Associates that would exceed the contribution limits?

The 2nd expense that appears as a debt/obligation without a correlating expense paid out on a following C4 is a 7/24 expense to Dresner Wickers Associates for \$1325 for "Mailer artwork design". There were similar payments on 8/10 to Dresner, Wickers Associates but they are significantly less than the reported debt/obligation. Is this an inkind to the campaign from Dresner, Wickers Associates that would exceed the contribution limits? (See Attachment #10, Attachment #22, Attachment #24).

The 3rd expense that appears as a debt/obligation without a correlating expense paid out on a following C4 is a 7/24 expense to Dresner, Wickers Associates for \$2592.35 for "Communications fee". There were similar payments on 8/10 to Dresner, Wickers Associates but they are significantly less than the reported debt/obligation. Is this an inkind to the campaign from Dresner, Wickers Associates that would exceed the contribution limits? (See Attachment #10, Attachment #22, Attachment #24).

7/28 expense on 7/28 thru 8/10 C4 of \$5000 for 'website redesign' to Nakea Inc should be listed on the previous C4 as a debt/obligation. It is missing from the 6/1 thru 7/27 C4. This is particularly troubling because the 6/1-7/27 C4 has other debts/obligations listed. The only reasonable explanation would be that Ms. Hutchison was purposely omitting several expenses and thereby deceiving the public/media so that her cash-on-hand looked more formidable than it was. (see Attachment #10 and Attachment #22)

7/30 expense on 7/28 thru 8/10 C4 for \$2500 for "King County Survey" to Dresner, Wickers Associates. It is missing from the 6/1 thru 7/27 C4. This is particularly troubling because the 6/1-7/27 C4 has other debts/obligations listed. The only reasonable explanation would be that Ms. Hutchison was purposely omitting several expenses and thereby deceiving the public/media so that her cash-on-hand looked more formidable than it was. (See Attachment #10 and Attachment #22)

7/29 expense to Mercury Direct Mail Service for \$18,610.61 for "direct mail postage". It is missing from the 6/1 thru 7/27 C4. This is particularly troubling because the 6/1-7/27 C4 has other mailpiece print debts/obligations listed. The only reasonable explanation would be that Ms. Hutchison was purposely omitting several expenses and thereby deceiving the public/media so that her cash-on-hand looked more formidable than it was. (see Attachment #10 and Attachment #22)

A 2nd 7/29 expense to Mercury Direct Mail Service for the same \$18,610.61 payment for "direct mail postage". It is missing from the 6/1 thru 7/27 C4. This is particularly troubling because the 6/1-7/27 C4 has other mailpiece print debts/obligations listed. The only reasonable explanation would be that Ms. Hutchison was purposely omitting several expenses and thereby deceiving the public/media so that her cash-on-hand looked more formidable than it was. (see Attachment #10 and Attachment #22)

8/12 expense to Mercury Direct Mail Service for \$18,886.59 for "bulk mail postage" does not appear on the 7/28 to 8/10 C4 form. (See Attachment #22, Attachment #24)

#### 15 Violations of WAC 390-16-034 – Failure to Report Employer/Occupations from High Donors

Missing a few occasional employer/occupations is not a fine-worthy complaint. However, Ms. Hutchison has several missing employer occupations that are concerning when coupled with her other violations. Ms. Hutchison doesn't even put the acceptable "Information requested" in the box, which would

indicate she is concealing the employers and occupations of each of the following high donors. Each occurrence is a violation of WAC 390-16-034. Below is a list of violations:

6/19 C3 of \$9545, contribution from Bradford Covey for \$125 (see Attachment #13)  
6/19 C3 of \$9545, contribution from Gretchen Covey for \$125 (see Attachment #13)  
6/19 C3 of \$9545, contribution from Donald Barnard for \$125 (see Attachment #13)  
6/19 C3 of \$9545, contribution from Maxine Barnard for \$125 (see Attachment #13)  
6/19 C3 of \$9545, contribution from Michael Garvey for \$500 (see Attachment #13)  
6/19 C3 of \$9545, contribution from Lynn Garvey for \$500 (see Attachment #13)  
7/1 C3 of \$4740, contribution from Michael Miller for \$150 (see Attachment #14)  
7/1 C3 of \$4740, contribution from Kirsten Miller for \$150 (see Attachment #14)  
7/3 C3 of \$7560, contribution from Bruce Burks for \$125 (see Attachment #15)  
7/3 C3 of \$7560, contribution from Gwendolyn Burks for \$125 (see Attachment #15)  
7/3 C3 of \$7560, contribution from Lyman Black for \$125 (see Attachment #15)  
7/3 C3 of \$7560, contribution from Elizabeth Black for \$125 (see Attachment #15)  
8/7 C3 of \$15,315, contribution from James Tosti for \$125 (see Attachment #23)  
8/7 C3 of \$15,315, contribution from Patricia Tosti for \$125 (see Attachment #23)  
8/7 C3 of \$15,315, contribution from Glenn Rebne for \$150 (see Attachment #23)

#### 11 Violations of WAC 390-16-037 – Failure to Report Subvendor Information on Schedule A

Missing a few occasional subvendor details would not be a fine-worthy complaint either. However, Ms. Hutchison doesn't even provide a minimum of subvendor description as it relates to consulting expenses or reimbursement expenses. Character limits may inhibit some reporting of address and other detailed information when filing electronically, but again, Ms. Hutchison does not provide ANY clarity on what her expenses are. There are several reimbursements below \$200, which seemed trivial to include below. Instead, I have included only a list of the larger violations of WAC 390-16-037.

4/22/09 Payment of \$300 to Susan Hutchison for "PO box rental", no PO Box subvendor (See Attachment #2)  
6/4 Payment of \$3056 to Dresner, Wickers Associates for "print push card/mailhouse fee", no printhouse or mailhouse subvendor (See Attachment #10)  
7/17 Payment of \$204 to Susan Hutchison for "candidate cell", no cell subvendor (See Attachment #10)  
7/17 Payment of \$221.89 to Susan Hutchison for "HQ phone", no phone subvendor (See Attachment #10)  
7/30 Payment of \$11,617 to Dresner, Wicker Associates for 'printing for card', no printer subvendor (see Attachment #22)  
7/30 Payment of \$2500 to Dresner, Wicker Associates for 'King County Survey', no polling subvendor (see Attachment #22)  
8/10 Payment of \$11,291 to Dresner, Wicker Associates for 'direct mail', no printer subvendor (see Attachment #22)  
8/10 Inkind of \$453.78 from James Mischel Jr for 'food and beverage for fundraiser', no restaurant or grocery subvendor. (see Attachment #22)  
8/10 inkind of \$346.22 from James Mischel Jr for 'catering for fundraising', no restaurant or grocery subvendor (see Attachment #22)  
8/10 inkind of \$79998 from Jonathan George for 'food and catering', no grocery or restaurant subvendor (see Attachment #22)

8/21 payment of \$220.06 to Gavin Phelps for “name tags”, no subvender (See Attachment #24)

#### 4 Violations of RCW 42.17.080 (7) - Failure to Report Expenses/Inkinds/Loan

4/7 C3 for \$300 was never reported on the 4/8 thru 4/30 as a receipt under section 1 of the Schedule A. It has never been amended. This would presume that her C4s have been continually off by \$300 from the beginning of her campaign. (See Attachment #2 and Attachment #5)

On her May C4, Ms. Hutchison reports several expenses for a ‘campaign HQ’ (See Attachment #8). However, no inkinds of rent or payments out to a leasing company can be found on her reports for the rental space. Her current campaign headquarters is reportedly in the Laurelhurst area of Seattle, address: 4017 NE 45th St, Seattle. According to Zillow.com, this home is a large 4 bedroom, 2.5 bath home. Additionally, it’s reportedly a large 2400 sq ft rental where campaign staff can sleep upstairs and the entire first floor is campaign office space. The parcel is owned by South Cove Ventures LLC and managed by Pistol Creek Financial Company. A search of homes in the area on Craigslist shows the fair market value of similar homes to be in the \$2500-\$4000 a month range. Since this clearly exceeds a possible inkind contribution limit of \$800 in the primary/\$800 in the general by an individual/organization, Ms Hutchison would need to pay the leasing company \$12,500-\$20,000 to remain compliant with the law. (See Attachment #8)

The carryover expense balances from Ms. Hutchison’s June 1 thru July 27 C4 report (line 17) to her 7/28 thru 8/10 report (line 10). These lines should be identical. The difference in those two lines is \$19,282.35. It appears Ms. Hutchison is hiding almost \$20,000 in expenses from the public and the media. (see Attachment #10 and Attachment #22)

#### Violation of RCW 42.17.105 – Failure to File a Late Minute Contribution Form

The “Last Minute Reporting Period” for contributions received of \$1000 or more is between August 11 and August 17 for the primary this year. Per RCW 42.17.105, a candidate has 48 hours from receipt of a contribution totaling \$1000 or more in the aggregate during this period to notify the PDC of that contribution. On 8/16, Ms. Hutchison received a contribution of \$1000 from Jeanne Marker. This contribution appears on her 8/23 C3 but that contribution should have been sent to the PDC on an LMC form, via email or other acceptable format as laid out by RCW 42.17.105 by August 18. This LMC notification was never sent, hence a violation of RCW 42.17.105. (see Attachment #26).

#### 13 Violations of RCW 42.17.080 (7) – Certifying Misleading Information on C3s

Beginning in Sept, all but two of Ms. Hutchison’s C3s have one standardized receipt date for each separate C3 filed. For example, both of her 9/4 C3s have all receipt dates of 9/4. Each C3 filed in the first half of September shows a similar pattern: the C3 received dates are exactly the same as the deposit date. It is true Ms. Hutchison has a PO Box and it is possible that agents of her committee only check the PO Box on Fridays. However, are we really to believe that online donations and all fundraising events for Ms. Hutchison happen on the exact same day each week: the Friday before the weekly C3 is due? She is clear putting misleading information on her C3s. Below is a list of the C3s in question:

9/4 C3 for \$2725 – all 8 contributions show a receipt date of 9/4 (Attachment #27)

9/4 C3 for \$8190 – all 31 contributions show a receipt date of 9/4 (Attachment #28)

9/11 C3 for \$15,610 – all 65 contributions show a receipt date of 9/11 (Attachment #29)

9/13 C3 for \$7325 – all 19 contributions show a receipt date of 9/11. Although the deposit date is different from the receipt date, what this says is essentially all credit cards, receipts from fundraising events and mailed contributions were received on the exact same day for the week of Sept 6-Sept 13: 9/11. (Attachment #30)

9/18 C3 for \$15,515 – all 71 contributions show a receipt date of 9/18 (Attachment #31).



9/25 C3 for \$16,715 – all 78 contributions show a receipt date of 9/25 (Attachment #32)

9/28 C3 for \$14,050 – 36 of 38 contributions show a receipt date of 9/25. The other two contributions show 9/27. That means that the entire week prior to 9/25, no contributions were received online or at fundraising events. (Attachment #33)

10/2 C3 for \$36,730 – all 161 contributions show a receipt date of 10/2 (Attachment #34)

Other potential misleading information (not included in the total violations):

There are 3 deposits made on 5/31 – a Sunday, a day when banks are closed. Key Bank, Ms. Hutchison's bank is not open on Sundays, according to their website, [www.key.com](http://www.key.com). (Attachment #9, Attachment #36, Attachment #37)

7/19 C3 for \$125 also falls on a Sunday (Attachment #21)

8/23 C3 for \$2850 also falls on a Sunday (Attachment #26)

9/13 deposit of \$7325 also falls on a Sunday. (Attachment #30)

9/27 deposit of \$14050 also falls on a Sunday. (Attachment #33)