



9
FILED
SUPERIOR COURT
THURSTON COUNTY, WA

2018 JUN -6 PM 4:11

Linda Myhre Enlow
Thurston County Clerk

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

KING COUNTY DEMOCRATIC
CENTRAL COMMITTEE, a
Washington non-profit corporation,

Defendant.

2836
NO. 17-2-07836-34

FIRST AMENDED COMPLAINT FOR
CIVIL PENALTIES AND FOR
INJUNCTIVE RELIEF FOR
VIOLATIONS OF
RCW 42.17A

I. NATURE OF ACTION

The State of Washington (State) brings this action to enforce the State's campaign finance and disclosure law, RCW 42.17A. The State alleges that Defendant KING COUNTY DEMOCRATIC CENTRAL COMMITTEE, a Washington non-profit corporation, violated provisions of RCW 42.17A by failing to timely file and disclose contributions and expenditures in reports to the state Public Disclosure Commission. The State seeks relief under RCW 42.17A.750 and .765, including civil penalties, costs and fees, and injunctive relief.

II. PARTIES

2.1 Plaintiff is the State of Washington. Acting through the Washington State Attorney General, a local prosecuting attorney, or the Public Disclosure Commission, the State enforces the state campaign finance disclosure laws contained in RCW 42.17A.

2.2 Defendant KING COUNTY DEMOCRATIC CENTRAL COMMITTEE

1 (Committee) is registered as a Washington non-profit corporation. As the term is used under
2 RCW 42.17A.005(6)(c), it is the county central committee for the Washington State Democratic
3 Central Committee in King County, Washington.

4 III. JURISDICTION AND VENUE

5 3.1 This Court has subject matter jurisdiction over the present case, in accordance
6 with RCW 42.17A. The Attorney General has authority to bring this action pursuant to
7 RCW 42.17A.765.

8 3.2 This Court has personal jurisdiction over the Committee, a Washington non-
9 profit corporation with active membership and representatives in the State of Washington. The
10 Committee's headquarters are located in the State of Washington. It was required to timely file
11 complete reports of contributions received and expenditures made with the State Public
12 Disclosure Commission, which is located in Thurston County, Washington. It failed to do so.
13 Additionally, the acts and omissions complained of here took place in Thurston County.

14 3.3 Venue is proper in this Court pursuant to RCW 4.12.020(1).

15 IV. FACTUAL ALLEGATIONS

16 4.1 RCW 42.17A declares as a matter of public policy "[t]hat political campaign and
17 lobbying contributions and expenditures be fully disclosed to the public and that secrecy is to be
18 avoided." RCW 42.17A.001(1). The statute further provides that the state's campaign finance
19 and disclosure law "shall be liberally construed to promote complete disclosure of all
20 information respecting the financing of political campaigns."

21 4.2 Washington's campaign finance law requires political committees to timely
22 report contributions received, including in-kind contributions. The information required to be
23 disclosed includes the name and address of the source of contributions that exceed \$25 in the
24 aggregate, and the employer and occupation of any individual contributor giving more than \$100
25 in the aggregate. RCW 42.17A.235, .240; WAC 390-16-037. Contribution disclosures are
26 reported on a Public Disclosure Commission form "C-3" which is called the "Cash Receipt

1 Monetary Contributions” form.

2 4.3 Washington’s campaign finance law also requires political committees to timely
3 report expenditures related to state campaigns, including any debts incurred by the political
4 committee. RCW 42.17A.235, .240(8); RCW 42.17A.005(20). The PDC form to report
5 expenditures is called a “Summary, Full Report Receipts and Expenditures” and is a form
6 “C-4.” An expenditure is defined to include “a *promise to pay*, For the purposes of this
7 chapter, agreements to make expenditures, contracts, and promises to pay may be reported as
8 estimated obligations until actual payment is made.” RCW 42.17A.005(20).

9 4.4 The Committee is a political party committee as the term is used in RCW 42.17A,
10 and is more specifically a county central committee of the Washington State Democratic Central
11 Committee. As such, the Committee routinely raises funds in order to support various democratic
12 candidates and ballot propositions. During 2016, the Committee received contributions and made
13 expenditures, all of which should have been reported in accordance with RCW 42.17A.

14 *Failure to Timely Report Contributions Received*

15 4.5 The Committee failed to timely disclose contributions it received as required by
16 law on a form C-3 report. The following chart identifies for election year 2016 when the
17 Committee’s C-3 reports were due based on when contributions were deposited, the number of
18 days such reports were late, and the value of contributions that were untimely disclosed:

19

Month of Reports	Number of C-3 Reports Due for the Month	Total Days Late For All Reports Due	Amount of Contributions Late Reported
January 2016	4	444	\$1,114.18
February 2016	14	1226	\$2,923.25
March 2016	4	224	\$910.20
April 2016	9	500	\$3,046.11
May 2016	19	1309	\$18,940.52
June 2016	6	952	\$3,430.74
July 2016	5	623	\$1,868.57
August 2016	9	889	\$2,145.87

20
21
22
23
24
25
26

September 2016	5	308	\$518.67
October 2016	21	748	\$34,357.95
November 2016	2	28	\$5,005.00
TOTAL:	98	7,151	\$74,261.06

4.6 Of these contributions received, the Committee was required to disclose almost 67% (or \$49,437.80) before the November 8, 2016 General Election and failed to do so. As such, this contribution information was not publicly available until after the election.

Failure to Timely Report Expenditures/Deposits

4.7 In 2016, the Committee failed to timely disclose its expenditures as required by law on a C-4 report. The delinquencies are identified as follows:

a. January 2016 Report: On May 31, 2016, the Committee first filed its C-4 report for the January 1 through January 31, 2016 reporting period. The C-4 report disclosed expenditures totaling \$826.56 and deposits totaling \$1,114.22, which should have been reported February 10, 2016. These disclosures were reported 111 days late. The Committee subsequently filed an amended report for this period, ultimately disclosing \$826.56 in expenditures and \$1,114.18 in deposits.

b. February 2016 Report: On June 6, 2016, the Committee first filed its C-4 report for the February 1 through February 29, 2016 reporting period. The C-4 report disclosed expenditures totaling \$2,182.83 and deposits totaling \$2,953.31, which should have been reported March 10, 2016. These disclosures were reported 88 days late. The Committee subsequently filed an amended report for this period, ultimately disclosing \$2,182.83 in expenditures and \$2,888.26 in deposits.

c. March 2016 Report: On June 7, 2016, the Committee first filed its C-4 report for the March 1 through March 31, 2016 reporting period. The C-4 report disclosed expenditures totaling \$4,501.85 and deposits totaling \$910.24, which should have been reported April 11, 2016. These disclosures were reported 57 days late. The Committee subsequently filed an amended report for this period, ultimately disclosing \$4,501.85 in expenditures and \$910.20 in

1 deposits.

2 d. April 2016 Report: On June 16, 2016, the Committee first filed its C-4 report for
3 the April 1 through April 30, 2016 reporting period. The C-4 report disclosed expenditures
4 totaling \$2,240.77 and deposits totaling \$2,835.15 which should have been reported
5 May 10, 2016. These disclosures were reported 37 days late. The Committee subsequently filed
6 two amended reports for this period, ultimately disclosing \$2,240.77 in expenditures and
7 \$2,086.15 in deposits.

8 e. May 2016 Report: On July 19, 2016, the Committee first filed its C-4 report for
9 the May 1 through May 31, 2016 reporting period. The C-4 report disclosed expenditures totaling
10 \$979.63 and deposits totaling \$17,240.57, which should have been reported June 10, 2016. These
11 disclosures were reported 39 days late. The Committee subsequently filed an amended report for
12 this period, ultimately disclosing \$979.63 in expenditures and \$19,140.59 in deposits. The
13 additional \$1,900 in deposits disclosed in this amended report were disclosed 173 days late.

14 f. July 2016 21-day Pre-primary Election Report: On November 21, 2016, the
15 Committee first filed its C-4 report for the June 1 to July 11, 2016 reporting period. The C-4
16 report disclosed expenditures totaling \$22,649.45 and deposits totaling \$4,235.74, which should
17 have been reported July 12, 2016. These disclosures were reported 132 days late. The original
18 C-4 report for this period included \$9,962.46 in expenses that were double-reported. The
19 Committee subsequently filed two amended reports for this period, ultimately disclosing
20 \$12,686.99 in expenditures and \$4,235.74 in deposits.

21 g. July 2016 7-Day Pre-Primary Election Report: On November 21, 2016, the
22 Committee first filed its C-4 report for the July 12 through July 25, 2016 reporting period. The
23 C-4 report disclosed expenditures totaling \$643.10 and deposits totaling \$1,063.57, which
24 should have been reported July 26, 2016. These disclosures were reported 118 days late. The
25 Committee subsequently filed two amended reports for this period, ultimately disclosing
26 \$562.50 in expenditures and \$1,063.57 in deposits.

1 h. September 2016 Post-Primary Election Report: On November 21, 2016, the
2 Committee first filed its C-4 report for the July 26 through August 31, 2016 reporting period.
3 The C-4 report disclosed expenditures totaling \$3,374.13 and deposits totaling \$2,145.87, which
4 should have been reported September 12, 2016. These disclosures were reported 70 days late.

5 i. October 2016 21-Day Pre-General Election Report: On November 21, 2016, the
6 Committee first filed its C-4 report for the September 1 through October 17, 2016 reporting
7 period. The C-4 report disclosed expenditures totaling \$21,909.27 and deposits totaling
8 \$26,943.05, which should have been reported October 18, 2016. These disclosures were reported
9 34 days late. The Committee subsequently filed two amended reports for this period, ultimately
10 disclosing \$21,909.27 in expenditures and \$26,693.05 in deposits.

11 j. November 2016 7-Day Pre-General Election Report: On November 21, 2016,
12 the Committee first filed its C-4 report for the October 18 through October 31, 2016 reporting
13 period. The C-4 report disclosed expenditures totaling \$16,177.56 and deposits totaling
14 \$7,933.57, which should have been reported November 1, 2016. These disclosures were reported
15 20 days late.

16 4.8 In total, the Committee filed eleven C-4 reports a total of 879 days late. Six of
17 these reports were filed after the November 8, 2016 election and deprived the public of any
18 information about its expenditures and deposits prior to the election.

19 *Failure to Timely Deposit Contributions*

20 4.9 State law required the Committee to deposit contributions it received within five
21 business days of receipt. RCW 42.17A.220(1).

22 4.10 In 2016, the Committee failed to timely deposit 26 contributions it received
23 totaling \$14,977 within the five business day period. The following chart identifies for election
24 year 2016 the contributions the Committee held for more than five business days before
25 depositing the contribution:
26

Date Contribution Received	Amount of Contribution	Deposit Date	Business Days Improperly Held Before Deposit
1/4/2016	\$500	2/7/2016	19
1/4/2016	\$500	2/27/2016	33
1/4/2016	\$98	2/27/2016	33
1/7/2016	\$500	1/18/2016	5
1/18/2016	\$600	2/27/2016	23
1/21/2016	\$350	2/7/2016	7
2/13/2016	\$80	2/27/2016	4
3/20/2016	\$200	4/9/2016	10
3/29/2016	\$600	4/9/2016	4
3/29/2016	\$150	4/9/2016	4
3/29/2016	\$40	4/9/2016	4
4/15/2016	\$5,000	5/4/2016	8
4/23/2016	\$5,000	5/4/2016	2
5/1/2016	\$25	5/28/2016	15
6/18/2016	\$100	7/6/2016	7
6/21/2016	\$100	7/6/2016	6
6/21/2016	\$100	7/6/2016	6
6/21/2016	\$100	7/6/2016	6
6/22/2016	\$100	7/6/2016	5
6/22/2016	\$100	7/6/2016	5
6/25/2016	\$100	7/6/2016	2
6/25/2016	\$100	7/6/2016	2
7/7/2016	\$150	8/25/2016	30
9/7/2016	\$134	10/14/2016	22
9/12/2016	\$250	10/14/2016	19
TOTAL: 25	\$14,977		

Failure to describe with sufficient detail expenditures made

4.11 In 2016 and 2017, the Committee filed expenditure reports that failed to include sufficient detail as required by RCW 42.17A.240(6).

V. CLAIMS

Plaintiff re-alleges and incorporates by reference all the factual allegations contained in the preceding paragraphs, and based on those allegations, makes the following claims:

1 5.1 First Claim: Plaintiff reasserts the factual allegations made above and further
2 asserts that Defendant, in violation of RCW 42.17A.235, failed to timely disclose contributions
3 it received to the Public Disclosure Commission.

4 5.2 Second Claim: Plaintiff reasserts the factual allegations made above and further
5 asserts that Defendant, in violation of RCW 42.17A.235, failed to timely disclose expenditures
6 it made, including but not limited to debts and obligations as of the time Defendant knew or
7 should have known those amounts would exceed \$250 in value, to the Public Disclosure
8 Commission. Plaintiff further asserts that Defendant, in violation of RCW 42.17A.240, failed to
9 provide sufficient description of expenditures it made.

10 5.3 Third Claim: Plaintiff reasserts the factual allegations made above and further
11 asserts that Defendant, in violation of RCW 42.17A.220(1), failed to deposit at least 25
12 contributions it received within five business days of receipt.

13 **VI. REQUEST FOR RELIEF**

14 WHEREFORE, Plaintiff requests the following relief as provided by law:

15 6.1 For such remedies as the court may deem appropriate under RCW 42.17A.750,
16 including but not limited to imposition of a civil penalty, all to be determined at trial;

17 6.2 For all costs of investigation and trial, including reasonable attorneys' fees, as
18 authorized by RCW 42.17A.765(5);

19 6.3 For temporary and permanent injunctive relief, as authorized by
20 RCW 42.17A.750(1)(h); and

21 ///

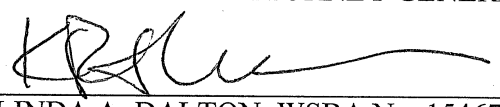
22 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

6.4 For such other legal and equitable relief as this Court deems appropriate.

DATED this 6th day of June, 2018.

STATE OF WASHINGTON
OFFICE OF THE ATTORNEY GENERAL



LINDA A. DALTON, WSBA No. 15467
Senior Assistant Attorney General
KELLY R. HARMON, WSBA No. 22498
Assistant Attorney General
Attorneys for Plaintiff State of Washington