

FILED

APR 10 2017

Superior Court  
Cindy Myhre Enlow  
Thurston County Clerk

STATE OF WASHINGTON  
THURSTON COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

NO. 17-2-02222-34

Plaintiff,

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

v.

SHARLAINE M. LaCLAIR,  
individually; and PEOPLE FOR  
SHARLAINE LaCLAIR, a candidate  
authorized political committee,

Defendants.

I. NATURE OF ACTION

The State of Washington (State) brings this action to enforce the State's campaign finance disclosure law, RCW 42.17A. The State alleges that Defendants, SHARLAINE M. LaCLAIR, individually, and PEOPLE FOR SHARLAINE LaCLAIR, a candidate authorized political committee, violated provisions of RCW 42.17A by failing to 1) timely and accurately disclose an in-kind contribution, expenditure, and orders placed debts and obligations, 2) disclose committee officers including the campaign treasurer, and 3) include sponsor identification on a campaign mailing, all of which occurred during her 2016 campaign for State representative for the 42nd Legislative District. The State seeks relief under RCW 42.17A.750 and .765, including penalties, costs and fees, and injunctive relief.

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

COPY

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## II. PARTIES

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

2.2 Defendant SHARLAINE M. LaCLAIR (LaClair) resides in Ferndale, Whatcom County, Washington. During 2016, she ran for a 42nd Legislative District seat in the state House of Representatives. Further, she authorized a political committee, PEOPLE FOR SHARLAINE LaCLAIR, to act as her candidate authorized political committee.

2.3 Defendant PEOPLE FOR SHARLAINE LaCLAIR is a political committee authorized by Defendant LaClair during 2016 to support her candidacy for a seat in the legislature and registered with the State Public Disclosure Commission.

2.4 Defendants LaClair and People for Sharlaine LaClair are both responsible for the actions of LaClair and her campaign committee as alleged below. To the extent this Complaint alleges acts and omissions by Defendant LaClair or her campaign committee, the allegations are stated against both Defendants.

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## III. JURISDICTION AND VENUE

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

3.2 This Court has personal jurisdiction over the Defendants, a resident of the State of Washington and a political committee registered and filing in Thurston County, Washington. Additionally, the acts alleged below occurred in whole or in part in Thurston County, Washington in that, as a result of Defendants' actions alleged below, incomplete, untimely and inaccurate reports were filed with the state Public Disclosure Commission (PDC) in Olympia, Washington.

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

2 **IV. FACTUAL ALLEGATIONS**

3 4.1 RCW 42.17A declares as a matter of public policy “[t]hat political campaign  
4 and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is  
5 to be avoided.” RCW 42.17A.001(1). Further, the statute provides that the provisions of the  
6 law “shall be liberally construed to promote complete disclosure of all information respecting  
7 the financing of political campaigns. . . .”

8 4.2 Washington’s campaign finance law requires timely reporting of contributions  
9 received, including in-kind contributions, and campaign expenditures, including debts and  
10 obligations incurred. The candidate’s report disclosing in-kind contributions and expenditures  
11 is entitled “Campaign Summary, Receipts and Expenditures” and is designated by the  
12 Commission as form C-4, pursuant to WAC 390-16-041. This report is due monthly until the  
13 twenty-first day of the month before an election in which the candidate appears on the ballot, at  
14 which time the report is due 21 days before the election, seven days before the election, and on  
15 the tenth day of the month following the election. An expenditure is defined to include “a  
16 promise to pay, . . . . For the purposes of this chapter, agreements to make expenditures,  
17 contracts, and promises to pay may be reported as estimated obligations until actual payment is  
18 made.” RCW 42.17A.005(20).

19 4.3 “Expenditures made on behalf of a candidate or political committee by any  
20 person, agency, firm, organization, [or similar entity] employed or retained for the purpose of  
21 organizing, directing, managing or assisting the candidate's or committee's efforts shall be  
22 deemed expenditures by the candidate or committee. In accordance with WAC 390-16-037,  
23 such expenditures shall be reported by the candidate or committee as if made or incurred by the  
24 candidate or committee directly.” WAC 390-16-205.

25 4.4 Defendant LaClair filed a form C-1 (Candidate Registration) with the state  
26 Public Disclosure Commission on May 20, 2016 identifying herself as a candidate for the 42nd

1 Legislative District representative position. According to the filing, her candidate authorized  
2 committee was officially named “PEOPLE FOR SHARLAINE LaCLAIR.”

3 4.5 Defendant LaClair’s form C-1 did not identify any officers for her campaign  
4 committee and identified herself as the campaign treasurer. Defendant LaClair never amended  
5 her candidate registration.

6 4.6 Starting with reports filed on June 6, 2016, Sean Lawrence is identified as  
7 signing as treasurer for Defendant LaClair’s campaign on her contribution and expenditure  
8 reports. Additionally, Defendant LaClair admits that the following individuals acted as her  
9 committee officers and should have been disclosed as such: Sean Lawrence, Raven McShane,  
10 WinPower Strategies, and Alan Sangster. At no time to date has Defendant LaClair amended  
11 her candidate registration to reflect the identities of these committee officers.

12 4.7 On or about May 20, 2016, Defendant LaClair filed and personally paid the  
13 \$454.74 filing fee with the Washington Secretary of State to become a legislative candidate.  
14 Defendant LaClair’s payment constituted an in-kind contribution to her campaign. To date,  
15 Defendants have not disclosed any in-kind contribution or expenditure related to the payment  
16 of the filing fee. This amount should have been reported as an in-kind contribution on a C-4  
17 report due no later than June 10, 2016. To date, this disclosure is 304 days late.

18 4.8 Defendants sponsored political advertising (a campaign mailer) that failed to  
19 include identification of the sponsor as required by law. On information and belief, the mailer  
20 was distributed ahead of the 2016 primary election. The mailer advocates for Defendant  
21 LaClair as a candidate with the “[e]xperience to strengthen our schools, protect our lands,  
22 create jobs, & ensure fiscal accountability in our state legislature.”

23 4.9 Throughout the campaign, Defendants reported campaign expenditures based  
24 on the date the campaign received and paid the invoices for goods and services. Defendants did  
25 not disclose any orders placed, debts or obligations which were incurred during one reporting  
26 period and yet were paid for in a subsequent reporting period. Defendants incurred campaign

1 debts and obligations in a reporting period that were not fully paid until subsequent reporting  
2 periods. As such, Defendants knew or should have known that they were required to report the  
3 orders placed, debts or obligations on Schedule B to a C-4 report to the extent they were  
4 reasonably anticipated to exceed \$250 in value. On information and belief, the dollar amount  
5 of orders placed, debts and obligations that should have been reported, but were not, exceeded  
6 \$31,980. The orders placed, debts and obligations that Defendants failed to report include:

7 a. WinPower Strategies (preparation of campaign introduction mailers): invoice  
8 for \$3,270.72 received on July 6, 2016, invoice paid on July 14, 2016, and transaction reported  
9 on July 26, 2016 in C-4 report. Defendants should have reported the transaction as an order  
10 placed, debt or obligation on their C-4 report due on July 12, 2016. As such, this disclosure  
11 was 14 days late.

12 b. Raven McShane (fundraising consulting services): services received starting on  
13 June 1, 2016, \$1,250 in services paid for on August 26, 2016, and transaction reported on  
14 September 12, 2016 in C-4 report. Defendants should have reported the transaction as a debt or  
15 obligation on their C-4 report due on July 12, 2016. As such, this disclosure was 62 days late.

16 c. Sean Lawrence (campaign treasurer services): services received starting on  
17 June 6, 2016, \$500 in services paid on August 11, 2016, and transaction reported on  
18 September 12, 2016 in C-4 report. Defendants should have reported the transaction as a debt or  
19 obligation on their C-4 report due on July 12, 2016. As such, this disclosure was 62 days late.

20 d. Alan Sangster (campaign management services): services received starting on  
21 June 15, 2016, \$3,000 in services paid on August 5, 2016, and transaction reported on  
22 September 12, 2016 in C-4 report. The campaign should have reported the transaction as a debt  
23 or obligation on their C-4 reports due on July 12, 2016 and July 26, 2016. As such, this  
24 disclosure was at least 62 days late.

25 e. Alan Sangster (campaign management services): services received during  
26 August 2016, \$2,000 invoice received on September 6, 2016, invoice paid on

1 September 7, 2016, and transaction reported on October 18, 2016 in C-4 report. Defendants  
2 should have reported the transaction as a debt or obligation on their C-4 report due to be filed  
3 on September 12, 2016. As such, this disclosure was 36 days late.

4 f. Raven McShane (fundraising consulting services): services received during  
5 October 2016, \$1,250 invoice for services paid on October 26, 2016, and transaction reported  
6 on November 2, 2016 in a C-4 report due November 1, 2016. Defendants should have reported  
7 the transaction as a debt or obligation on their C-4 report due on October 18, 2016. As such,  
8 this disclosure was 15 days late.

9 g. WinPower Strategies (printing services): services received during  
10 October 2016, \$1,800 invoice for services paid on October 19, 2016, and transaction reported  
11 on November 2, 2016 in a C-4 report due November 1, 2016. Defendants should have reported  
12 the transaction as a debt or obligation on their C-4 report due on October 18, 2016. As such,  
13 this disclosure was 15 days late.

14 h. Defendants incurred various debts and obligations that were reportable on their  
15 C-4 reports due on or before November 1, 2016; these orders placed, debts, and obligations  
16 were not reported until December 15, 2016. These include orders placed, debts or obligations  
17 to the following: Capitol City Press (\$5,511.87 invoice for postage received October 27, 2016,  
18 paid on November 1, 2016); Alan Sangster (\$2,000 for October campaign management  
19 services, paid on November 1, 2016); WinPower Strategies (\$1,800 invoice for a walk piece  
20 received by Defendants October 27, 2016, paid on November 7, 2016); a reimbursement for  
21 lost wages to Defendant LaClair (\$2,585.60 for the period October 24 through  
22 November 7, 2016, paid on November 10, 2016); Raven McShane (\$1,612.02 for campaign  
23 consulting services in October and November, paid on November 18, 2016); and WinPower  
24 Strategies (\$4,400 invoice for online advertising services performed in the month prior to  
25 payment, and paid on November 29, 2016). Since all of these transactions exceeded \$250, they

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1 should have been reported no later than November 1, 2016. As such, these transactions were  
2 reported at least 41 days late.

3 j. Sean Lawrence (campaign treasurer services): services received between  
4 August 3, 2016 and November 8, 2016, \$1,000 invoice for services received on  
5 October 30, 2016, invoice paid on November 1, 2016, and transaction reported on  
6 December 12, 2016 in C-4 report. Defendants should have reported the transactions as debts or  
7 obligations starting on their C-4 report due on September 12, 2016, October 18, 2016, and  
8 November 1, 2016. As such, this disclosure was 41, 55, and 91 days late.

9 4.10 On November 8, 2016, Defendant LaClair lost the general election. That night,  
10 Defendant LaClair held a campaign event. On November 9, 2016, Defendants reimbursed  
11 Defendant LaClair \$601 for the cost of food at the campaign event. This reimbursement should  
12 have been reported on December 12, 2016 in Defendants' post-election C-4 report. The C-4  
13 report Defendants filed for November 2016—filed three days late on December 15, 2016—did  
14 not disclose this reimbursement.

15 4.11 On January 14, 2017, Defendants filed an amended C-4 report for the month of  
16 November 2016. This report was labeled as a "final report" and shows a balance of \$2,500.48.  
17 For the first time, Defendants disclose the \$601 reimbursement to Defendant LaClair for the  
18 election night event. This disclosure was 33 days late.

## 19 V. CLAIM

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

22 5.1 First Claim: The State reasserts the factual allegations made above and further  
23 asserts that Defendants, in violation of RCW 42.17A.235(2) and .240, failed to timely report an  
24 in-kind contribution received, an expenditure made, and orders placed, debts and obligations  
25 incurred, with the total amount of violations to be proven at trial.

26 5.2 Second Claim: The State reasserts the factual allegations made above and

1 further asserts that Defendants, in violation of WAC 390-05-245, failed to identify committee  
2 officers and campaign treasurer on Defendant LaClair's candidate registration form C-1.

3 5.3 Third Claim: The State reasserts the factual allegations made above and further  
4 asserts that Defendants, in violation of RCW 42.17A.320(1), failed to disclose sponsor  
5 identification on a campaign mailing she and her campaign distributed.

6 **VI. REQUEST FOR RELIEF**

7 WHEREFORE, the State requests the following relief as provided by law:

8 6.1 For such remedies as the court may deem appropriate under RCW 42.17A.750,  
9 including but not limited to imposition of a civil penalty, all to be determined at trial;


10 6.2 For all costs of investigation and trial, including reasonable attorneys' fees, as  
11 authorized by RCW 42.17A.765(5);

12 6.3 For temporary and permanent injunctive relief, as authorized by  
13 RCW 42.17A.750(1)(h); and

14 6.4 For such other legal and equitable relief as this Court deems appropriate.

15 DATED this 9 day of April, 2017.

16 OFFICE OF THE ATTORNEY GENERAL  
17 State of Washington

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